

**LODI CITY COUNCIL  
SHIRTSLEEVE SESSION  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, MARCH 24, 2009**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, March 24, 2009, commencing at 7:01 a.m.

Present: Council Member Hitchcock, Council Member Johnson, Mayor Pro Tempore Katzakian, Council Member Mounce, and Mayor Hansen

Absent: None

Also Present: City Manager King, City Attorney Schwabauer, and Assistant City Clerk Perrin

B. Topic(s)

B-1 Review of Community Development Block Grant Funding Requests in the 2009-10 Action Plan (CD)

City Manager King briefly introduced the subject matter of the Community Development Block Grant (CDBG) funding requests in the 2009-10 Action Plan.

Neighborhood Services Manager Joseph Wood reported that the allocation for 2009-10 CDBG funding, Lodi's first year as an Entitlement Community, is estimated at \$743,000, which is a 7% increase from last year's allocation from the County. Additionally, reallocation from Urban County funding amounts to \$149,000, which will go toward new projects and programs added to the Urban County 2008-09 program year. Factors to consider during the review process include Department of Housing and Urban Development (HUD) regulations; Council policies on preference for projects over services and the set aside amounts of 60% for City and 40% for community-based organizations (CBO); and the grading and scoring matrix for the CBO funding requests, which include activity need and justification, readiness to proceed, cost reasonableness and effectiveness, activity management and implementation, past performance, and matching contributions. Mr. Wood added that new applicants would not be downgraded on the scoring due to lack of past performance.

In response to Council Member Hitchcock, Mr. Wood stated that requests for daily maintenance and operations activities would be restricted; however, major repairs and renovations to a facility, as well as wholesale change out of equipment, would be allowable.

Mr. Wood stated that 14 applications from CBOs were received for a total request of \$1,046,851, 7 of which are for projects and 7 are for services. Mr. Wood reviewed each of the 14 requests in detail.

In response to Council Member Mounce, Mr. Wood stated that the total cost of the Loel Center renovation project is approximately \$560,000, a majority of which is being funded with CDBG funds.

In response to Mayor Hansen, Mr. Wood stated that the Loel Center does have additional funds committed toward this year's project request as it would need to be ready to move forward if funded. In further response, Mr. Wood confirmed that the Hope Harbor roof replacement is for the shelter on Sacramento Street.

Mr. Wood reported that the procedure this year was compacted and staff is in the process of

reviewing and rating the applications, which will be presented to Council at the April 1 public hearing with final recommendations.

In response to Mayor Hansen and Council Member Johnson, Mr. Wood stated that the request from Hope Harbor for an emergency generator is allowable as it is a facility that serves the target population and qualifies as an eligible improvement to the facility. The generator would serve the shelter in case of a major catastrophe. Mr. Wood added that he is researching whether other funding sources may be better suited for this request, such as grant funding through Homeland Security.

In response to Council Member Hitchcock, Mr. Wood confirmed that the cap of \$111,525 for public service requests is the most that could be allocated for that category and Council could follow its policy to allocate toward project requests instead as that is a Council preference.

In response to Mayor Hansen, Tracy Williams with the Loel Center stated that the request for senior nutrition services is delivery of frozen meals one time a week to approximately 70 Lodi seniors. The service was taken over from Seniors First by the San Joaquin County Human Services Agency, but it will go to the Loel Center once it is able to provide hot meals five days a week. Mr. Wood added that further explanation regarding this service will be provided at the April 1 public hearing.

In response to Mayor Hansen, Mr. Wood stated that a majority of the agencies that submitted requests to the City have also submitted applications to the seven cities within the County.

Mr. Wood reviewed the three-year projection of City projects and services, stating that in year one (2008) there were 12 eligible projects/services listed with 6 being funded and in year two (2009) there are 11 eligible projects/services with 6 being recommended for funding. Council will determine at the April 1 public hearing which requests to fund. The remaining eligible projects/services would potentially be funded in the third year.

In response to Council Member Johnson, Parks Superintendent Steve Dutra stated that playground guidelines allow sand and wood fiber to be used on playground surfaces; however, a number of years ago, the Parks Division opted to utilize a poured in place (PIP) surface under play structures, but due to the high level of vandalism at Blakely Park, it was converted back to wood fiber. The current request for recoating PIP is under the Blakely Park swing area, which requires a new seal every five years.

Council Member Mounce expressed her support for the alley drainage improvements project.

In response to Mayor Hansen, Mr. Wood clarified that the request last year was to remove the PIP at Blakely Park and replace it with wood fiber, which was not funded. The Parks Division accomplished it by other means and it is no longer listed on the three-year projection. Its request this year is to recoat the PIP swing area surface at the park. Mr. King added that the level of vandalism on the PIP surface at Blakely Park is unusually high.

In response to Council Member Hitchcock, Mr. King stated that wood fiber requires a high level of maintenance, which is much more costly and time consuming for staff; whereas, PIP is a safer surface, requires less staff time and maintenance, and often times can be offset with grant funds.

Mr. Wood reported that the American Recovery and Reinvestment Act of 2009 has made a stimulus package available. The final rules are still pending, but the program would be for "shovel-ready" projects that could be implemented within 120 days. Because there is insufficient time to implement another application period, staff will review the current funding requests to determine which may be best suited for this stimulus program. The funds will be available



through the Urban County as it is allocated to 2008 CDBG funding, and it is estimated that the allocation will amount to \$173,149.

Mr. Wood reviewed the consolidated plan process, stating that the draft document will be before Council on April 1 for approval, followed by a 30-day public review and comment period, back to Council for final approval on May 6, and forwarded to HUD by May 15.

In response to Council Member Hitchcock, Mr. Wood stated that the process for HOME funds will begin July 1, the amount would be in the \$500,000 to \$700,000 range, and staff intends to make an application for the existing housing assistance programs, as well as specific projects that would qualify for HOME funding. He estimated the City would have received approximately \$225,000 had it remained with the County.

#### B-2 Update on Affordable Senior Housing Project (CD)

Interim Community Development Director Rad Bartlam reported that the senior housing project proposed for Railroad Avenue is not moving forward due to negotiations with the property owner, Union Pacific, as well as with the development entity, PAM. Because of this, staff began reviewing potential City-controlled sites that could accommodate a senior housing facility, and staff is suggesting that Council consider the 3.3 acres on the west side of Roget Park. This parcel, which the City has owned for 12 years, was originally purchased to complete Tienda Drive and the expansion of Roget Park. The site has great potential for senior housing because of the location and nearby services. A request for qualifications process was implemented in order to get interest from entities that have a history of providing senior and affordable housing. Two responses were received: Eden Housing from Hayward and Domus Development from San Francisco. A panel of representatives from the Planning Commission, Lodi Budget/Finance Committee, and Senior Citizens Commission reviewed the qualifications and unanimously recommended Eden Housing. On April 1, staff will recommend that Council authorize the City Manager to enter into negotiations with Eden Housing to create a development agreement and land purchase agreement, which will be brought back to Council for final approval.

Linda Mandolini with Eden Housing stated that the company has been around for 41 years, is one of the oldest non-profit developers in California, and has been building senior housing since 1973. Eden has its own property management and services company to support the seniors living in the housing and it works with local community services to ensure seniors can live independently longer. Approximately half of its work presently is senior housing, and Eden has worked with communities in the Bay Area and Central Valley. Ms. Mandolini stated that this proposed project scores highly for the various funding sources and pointed out that Target as a neighbor is a tremendous benefit.

In response to Council Member Hitchcock, Ms. Mandolini stated that the project has not yet been designed because of the interface with the park, but it would be in the 60- to 80-unit range.

In response to Mayor Hansen, Mr. Bartlam stated that the action on April 1 would be to authorize the City Manager to enter into negotiations with Eden Housing, after which staff would return with a negotiated disposition and development agreement that would outline the roles and responsibilities for both parties, act as a set of escrow instructions for the purchase of the property, and outline a schedule. The development design would occur after the land purchase. Mr. Bartlam confirmed that this project follows a short timeline, stating that the development agreement would need to be in place by early summer. Mr. Wood stated that the funds need to be obligated and expended within this next program year (i.e. by June 2010).

Ms. Mandolini stated that Eden Housing has worked with other jurisdictions in obtaining HOME funding for specific projects and it would look to do the same in this case assuming there was

sufficient time.

Council Member Johnson questioned if Eden Housing would experience the same difficulty as PAM regarding tax credit funding, to which Mr. Bartlam responded that the market conditions certainly affect any development opportunity; however, the primary difference between the two entities is that Eden Housing is a non-profit organization with a focus on building affordable housing, which is key in moving this project through this kind of economy. Additionally, its 41 years of experience is another major benefit as it has a history with entities interested in partnering for tax credit opportunities.

Ms. Mandolini stated that Eden would be looking at using HUD, HOME, and CDBG funding as alternatives to the tax credit program, adding that a number of their projects were accomplished without the use of tax credits. Additionally in 2009, the Federal government allowed for an exchange of credits for direct cash, which would benefit a project like this, and it is expected that this might once again be offered in 2010.

In response to Council Member Johnson, Ms. Mandolini stated that this development could be structured into two phases in order to get appropriate funding to make the units as affordable as possible. Discussions have already taken place with potential investors, and every funding option will be explored very carefully.

In reply to Mayor Hansen, Ms. Mandolini stated that Eden Housing routinely involves the community throughout the process by identifying the stakeholders and meeting with surrounding neighbors to introduce the company, discuss the design, and offer tours. Eden anticipates hiring an architect who can sort out the design issues and respond to community concerns. In further response, Ms. Mandolini stated that Eden Housing is committed to the long-term success of its facilities and on-going maintenance is key to ensuring that aging buildings remain safe and updated.

In response to Council Member Hitchcock, Mr. Bartlam stated the project will go before the Site Plan and Architectural Review Committee, which includes the community input process. He added that, even though this is an affordable housing project, it is quality housing that is offset by other funding sources; it is not a lower construction cost project.

In response to Mayor Hansen, Mr. King stated that Eden is willing to hire an architect with experience in park development in order to ensure the designs of the senior project and Roget Park complement one another and to coordinate construction of both projects to occur simultaneously.

In response to Council Member Johnson, Mr. King stated that the original design of Roget Park took in part of this land that is under discussion. The previous plan showed either an access road splitting the park to the east and the senior housing site to the west or an access road running between the senior housing development and the Target site. Staff is now considering alternative forms of circulation that may not involve a road, and this would be part of the design considerations with the architect. Council Member Johnson expressed concern about isolating the east/west section to the north, to which Mr. King stated there continues to be on-going discussion about connection into the residential neighborhood as the circumstances of Roget Park have changed with the potential addition of this development.

Council Member Hitchcock also expressed concern about possibly isolating the park, stating that visitors would not feel safe if the park were not open and visible.

Myrna Wetzel questioned if there was still a concern about the Roget Family taking back the park land, to which Mayor Hansen responded that moving forward with this plan addresses that

concern.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 8:09 a.m.

ATTEST:

Jennifer M. Perrin  
Assistant City Clerk



**CITY OF LODI  
COUNCIL COMMUNICATION**

AGENDA TITLE: Review of CDBG Funding Requests in the 2009110 Action Plan

MEETING DATE: March 24, 2009

PREPARED BY: Community Development Department

RECOMMENDED ACTION: Review and comment on the annual Community Development Block Grant (CDBG) Program funding requests in the 2009/10 Action Plan.

BACKGROUND INFORMATION: A Public Hearing has been set for April 1, 2009, for the City Council to review and approve the City Manager's recommendations for funding for use of 2009110 CDBG Program.

The City will receive approximately \$743,500 in CDBG Program funds from the Federal government in the coming fiscal year. This represents a 7% increase in CDBG funds from what was received for the 2008109 year. In addition to the 2009/10 allocation from HUD, an additional \$149,707 of our Urban County CDBG funds are available for reallocation from completed or unused projects or services from previous years. These funds will need to be allocated to new projects that will be added to our 2008 Projects through the Urban County and will need to be obligated and expended within six to nine months.

At the completion of an application period that ran from February 11, 2009 to March 11, 2009, the City received a total of 14 applications from community-based organizations (CBO's) requesting a total of \$1,046,851.

In 2007, the City Council adopted a CDBG allocation policy that pre-determines a set-aside of 60% of the CDBG adjusted annual allocation for City projects and services, and 40% for CBO projects and services. The distribution of CDBG funding in accordance with that policy is as follows:

<b>2009110 CDBG Allocation</b>	<b>\$743,500</b>
<b>20% Program Admin</b>	<b>\$(148,700)</b>
<b>Adjusted Balance</b>	<b>\$594,800</b>
<b>Reallocated UC Funding</b>	<b>\$149,707</b>
<b>Adjusted Balance Available for Distribution</b>	<b>\$ 744,507</b>
60% Set-aside for City Projects & Services	\$356,880 + \$89,824 (Urban County) = \$446,707
40% Set-aside for CBO Projects & Services	\$237,920 + \$59,883 (Urban County) = \$297,803

APPROVED: \_\_\_\_\_

*Blair King*  
Blair King, City Manager

HUD Regulations also place a 15% cap on the amount of funding that can be allocated to Public Service activities, whether that be by the City or by a CBO. We have a total of \$178,415 requested in Public Services and a Service Cap for 2009/10 of \$111,525.

Last year, we implemented a grading/scoring matrix for all CBO funding requests. This was intended to provide a standard of measurement to allow for an empirical rating of applicants. Each application is rated on a grading scale that allows a maximum of 100 points. As we are still in the process of reviewing the applications and receiving follow up information on many of the funding requests, not all applications have been reviewed through the grading matrix and therefore those comparative scores will not be available until the Public Hearing on April 1<sup>st</sup>.

A list of CBO applicants, their funding requests, and activity type is attached as Exhibit A. Depending on the comments made at this meeting, staff will be putting together a final recommendation to the City Manager.

In 2008, CDBG funding for City Projects/Services has been projected and budgeted over a 3-year period. A copy of that projected budget is attached as Exhibit B. New project/service requests for 2009 have been added to the bottom of the Table and adjustments have been made based upon priorities agreed upon by the various departments involved.

Finally, through the American Recovery and Reinvestment Act of 2009 (ARRA), Congress has allocated an additional \$1B in CDBG funding, designated CDBG-R (Rapid), that should be allocated to a 'shovel ready' project capable of being implemented within 120 days of funding award. These CDBG-R funds are a supplement to our 2008/09 CDBG allocation and therefore will be accessed through the Urban County. While we have been told that the CDBG-R allocation will be treated a little differently than normal CDBG funds and we are awaiting actual rulemaking on this, we are expecting that the eligible project for these CDBG-R funds will be taken from this list of applications for either City or CBO projects.

The overall CDBG-R funding is approximately one-fourth the annual allocation, so we are estimating an amount equal to twenty-five percent of our 2008 allocation, or \$173,149.

**FISCAL IMPACT:** N/A

**FUNDING AVAILABLE:** 2009/10 CDBG Program

  
Konradt Bartlam  
Community Development Director

Attachments

City of Lodi 2009-10 CBO Applications Received

Project - Organization	Project Description	Activity Type	Fund Request
<b>Senior Nutrition Services</b> SJC Human Services Agency	Provide nutritious home-delivered meals to Lodi seniors five days per week.	Public Service	\$43,400
<b>Community Training</b> Community Partnership for Families	Provide funding for ESL program staff and site director. Purchase computers, Rosetta Stone software, and miscellaneous supplies. Offer bus passes to program participants.	Public Service	\$31,515
<b>Fair Housing Services</b> San Joaquin Fair Housing	Provide required fair housing services, including telephone hotline for tenants and landlords, investigation of complaints, and fair housing testing.	Public Service	\$24,448
<b>Food Distribution Programs</b> Second Harvest Food Bank	Provide support for the administration of the Food Assistance and Senior Brown Bag Programs.	Public Service	\$10,000
<b>Mobile Farmer's Market</b> Emergency Food Bank of Greater Stockton	Offer a mobile farmer's market once a month in Lodi, which includes distribution of free fruits and vegetables, nutrition education, and cooking demonstrations.	Public Service	\$5,600
<b>Domestic Violence Prevention Services</b> Women's Center of San Joaquin County	Support the services offered by the Women's Center, including domestic violence counseling, shelter, and education, as well as parenting classes at the Hope Harbor site in Lodi.	Public Service	\$5,000
<b>Drug and Alcohol Testing Program</b> Sunhouse	Purchase a certification that will allow Sunhouse to offer testing required for their drug and alcohol treatment programs.	Public Service	\$3,452
<b>Kitchen Renovation</b> LOEL Senior Center	Completely renovate the kitchen space at the LOEL Senior Center to increase its size and install a full commercial kitchen. LOEL plans to take over homebound and congregate meal service from SJC Human Services Agency.	Public Facility	\$392,987
<b>Lodi Community Center Facility Improvements</b> SJC Human Services Agency	Improve the Community Center site by paving a parking lot and making site and landscaping improvements to meet Lodi's code requirements. Matching funds coming from San Joaquin County.	Public Facility	\$149,449
<b>Facility Acquisition</b> One-Eighty Teen Center	Purchase a property adjacent to the current Teen Center site in order to provide additional space for adolescent and family services programs and free up space for after-school programs and job training programs.	Public Facility	\$140,000
<b>Roof Replacement</b> Salvation Army	Replace the roof at the Hope Harbor emergency shelter.	Public Facility	\$120,000
<b>Emergency Generator</b> Salvation Army	Purchase a generator for the Hope Harbor facility, which is designated a emergency shelter facility in the event of a disaster in the community.	Public Facility	\$90,000
<b>Kitchen Equipment Purchase</b> Lodi Boys and Girls Club	Purchase two new stoves and one ice machine for installation in the Boys and Girls Club facility, for use in after-school programs.	Public Facility	\$19,000
<b>Teen Center Renovation</b> Lodi Boys and Girls Club	Renovate the Teen Center to be more welcoming to youth, including rewiring the room, adding lighting, and purchasing TVs, couches, and music listening devices.	Public Facility	\$12,000
<b>TOTAL FUNDING</b>			<b>\$1,046,851</b>

<b>3 Year Projection of CDBG-funded Projects &amp; Services</b>							
<b>YEAR</b>	<b>Projects</b>	<b>Department</b>	<b>Required Funding</b>	<b>2008/09 Actual \$405,352</b>	<b>2009/10 Estimated \$356,880</b>	<b>Reallocated Urban County \$89,824</b>	<b>2010/11 Estimated \$360,000</b>
<b>2008</b>	ADA Curb Ramps	Public Works	\$250,000	-	-	-	-
	Alley Drainage Improvements	Public Works	\$225,000	-	\$232,000	-	-
	Demolition of 17 E. Elm Street	Public Works	\$95,000	\$95,000	-	-	-
	Graffiti Abatement	Public Works	\$80,000	\$79,725	\$81,880	-	\$81,800
	Blakely Park - North Pool Deck Resurfacing	Parks & Recreation	\$98,000	\$98,000	-	-	-
	Blakely Park - Pool Restroom ADA	Parks & Recreation	\$200,000	-	-	-	-
	Blakely Park Playground Surface Replacement	Parks & Recreation	\$85,000	-	-	-	-
	Van Buskirk Playground Replacement	Parks & Recreation	\$165,000	-	-	-	\$165,000
	Lodi Lake North Playground Replacement	Parks & Recreation	\$280,000	-	-	-	-
	Grape Bowl Accessibility Improvements	Parks & Recreation	\$150,000	-	-	-	-
	Library ADA Improvements	Library	\$250,000	\$86,558	-	-	-
	<b>Economic Development - Revolving Loan Fund</b>	City Manager	\$100,000	\$50,000	\$0	-	\$100,000
<b>2009</b>	Hale Park Playground Surface Renovation	Parks & Recreation	\$65,000	-	-	\$60,000	-
	Handicap Ramp Replacement - 100 blk. W. Elm St.	Public Works	\$30,000	-	-	\$29,824	-
	Spay/Neuter Program	LPD Animal Services	\$15,000		\$15,000	-	\$13,200
	Blakely Park - Swing Area Surface Recoating	Parks & Recreation	\$26,000		\$28,000	-	
				<b>\$409,283</b>	<b>\$356,880</b>	<b>\$89,824</b>	<b>\$360,000</b>

# CDBG Funding Requests 2009/10

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Presented by  
Community Development Department

March 2009



# CDBG Funding Requests 2009/10

- 2009/10 CDBG allocation Lodi's first as an Entitlement Community.
  - \$743,500 estimated allocation.
  - 7% increase from 2008/09 allocation.
  
- CDBG Funds from Urban County Projects/Programs.
  - \$149,000 to be reallocated.
    - New projects/programs added to our Urban County 2008/09 Program Year.
    - Obligate and expend funds within 6-9 months.

# CDBG Funding Requests 2009/10

## ■ Factors to Consider During Review

### □ HUD Regulations

- Program Administration Cap of 20% (\$148,700)
- Public Service Cap of 15% (\$111,525)
- New Service/Expansion or Increase of Existing Service
- Recent Stimulus Funding

### □ Council Policies

- Preference for Projects over Services
- 60% Set-aside for City – 40% for Community-Based Organizations (CBO)

# CDBG Funding Requests 2009/10

- Factors to Consider During Review
    - Grading/Scoring Matrix for CBO Funding Requests
      - Activity Need and Justification
      - Readiness to Proceed
      - Cost Reasonableness and Effectiveness
      - Activity Management and Implementation
      - Past Performance
      - Matching Contributions
-

# CDBG Funding Requests 2009/10

- Total of 14 applications received from CBOs
  - Total Requested Funding: \$1,046,851
    - 7 Projects (\$923,436)
      - LOEL Senior Center Kitchen Renovation - \$392,987
      - Lodi Community Service Center Phased-Improvements - \$149,449
      - Property Acquisition for One-Eighty Teen Center - \$140,000
      - Hope Harbor Shelter Roof Replacement - \$120,000
      - Hope Harbor Emergency Generator - \$90,000
      - Kitchen Equipment for Lodi Boy's & Girl's Club - \$19,000
      - Teen Center Renovation for Lodi B&G Club - \$12,000

# CDBG Funding Requests 2009/10

- Total of 14 applications received from CBOs
  - Total Requested Funding: \$1,046,851
    - 7 Services (\$123,415)
      - HSA - Senior Nutrition Services - \$43,400
      - Community Partnership – Community Training - \$31,515
      - SJ Fair Housing Services - \$24,448
      - Second Harvest Food Bank – Food Distribution - \$10,000
      - Emergency Food Bank – Mobile Farmer's Market - \$5,600
      - Women's Center – Domestic Violence Prevention - \$5,000
      - Sunhouse – Drug & Alcohol Testing - \$3,452

# CDBG Funding Requests 2009/10

- Year One - 3-year projection of City Projects & Services
  - 12 Eligible Projects/Services Listed in 2008 – 6 Funded
    - ADA Curb Ramps - \$250,000
    - Alley Drainage Improvements - \$225,000
    - **Demo of 17 E. Elm Street - \$95,000**
    - **Graffiti Abatement - \$79,725**
    - **Blakely Park Pool Deck Resurfacing - \$98,000**
    - Blakely Park Pool Restroom ADA - \$200,000
    - Blakely Park Playground Surface Replacement - \$85,000
    - Van Buskirk Playground Replacement - \$165,000
    - Grape Bowl Accessibility Improvements - \$150,000
    - **Library ADA Improvements – \$86,558**
    - **Economic Development – RLF Program - \$50,000**
    - **Spay/Neuter Program - \$15,000**

# CDBG Funding Requests 2009/10

- Year Two - 3-year projection of City Projects & Services
  - 11 Eligible Projects/Services Listed in 2009
    - ADA Curb Ramps - \$250,000
    - **Alley Drainage Improvements - \$225,000**
    - **Graffiti Abatement - \$81,800**
    - Blakely Park Pool Restroom ADA - \$200,000
    - Van Buskirk Playground Replacement - \$165,000
    - Grape Bowl Accessibility Improvements - \$150,000
    - Economic Development – RLF Program - \$50,000
    - **Spay/Neuter Program - \$15,000**
    - **Hale Park Playground Surface Renovation – \$60,000**
    - **Handicap Ramp Replacement – 100 W. Elm St. - \$29,824**
    - **Blakely Park Swing Area Surface Recoating - \$28,000**

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# Additional CDBG Funding

- American Recovery and Reinvestment Act of 2009 (ARRA)
    - \$1B in Additional CDBG Funds for 2008
    - Final Rules Still Pending
      - CDBG-R (Rapid)
        - Shovel-ready Projects capable of being implemented within 120 days.
      - Allocated to 2008 CDBG
        - Available through Urban County
      - Estimated allocation of \$173,149
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# CDBG Funding Requests 2009/10

- Consolidated Plan Planning Process
    - Consolidated Plan 2009-14
    - Citizen Participation Plan
    - Action Plan 2009/10
  - All Considered Draft Documents
    - 30 Day Public Review/Comment Period
  - Final Documents to Council on May 6th
  - Questions or Comments?
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## CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Update on Affordable Senior Housing Project  
**MEETING DATE:** March 24, 2009  
**PREPARED BY** Community Development Department

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**RECOMMENDED ACTION:** Receive an update on the status of the affordable senior housing project.

**BACKGROUND INFORMATION:** In 2006, the City Council allocated \$330,000 of our Community Development Block Grant (CDBG) funding toward the acquisition of land for an affordable housing project.

Shortly thereafter, we supplemented that 2006 CDBG allocation with a combination of both CDBG and HOME fund program income that had been generated through our existing Housing Assistance Programs that serve low-income homebuyers and homeowners. This provided a total of \$1.2M for acquisition of land for an affordable housing project.

With the City's decision to separate from the Urban County for CDBG funding from HUD, the timely use of those CDBG funds has become all that more critical. With the Railroad Avenue Project unable to proceed at this point, staff has been looking for alternative sites where the CDBG funds could be used before the separation from the Urban County was complete in June of 2009.

Hence, the City-owned property adjacent to the Roget Park site was identified, thereby eliminating the need to negotiate the land purchase. The use of CDBG-funds in this case is clear. The funds must be allocated to a non-profit developer who will acquire the land from the City at a price determined through a recent fair market appraisal (\$650,000). Through a Development and Disposition Agreement (DDA) the chosen developer will take possession of the land and commit to move forward with the development of the site to design and produce an affordable senior housing project within a determined timeframe. If the developer fails to develop a project within the time noted in the DDA, ownership of the land will then revert back to the City.

A Request For Qualifications (RFQ) was distributed to a select group of experienced affordable housing developers in Northern California. Only two proposals were received, from Eden Housing in Hayward and Domus Development in San Francisco.

A committee consisting of three Planning Commissioners, and one representative each from both the Senior Citizen Commission and the Budget and Finance Committee, met and reviewed the two submittals. A summary comparison of the two developers experience and qualifications that was provided to the review committee is attached for your reference.

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APPROVED:

A handwritten signature in black ink, appearing to read "Blair King".

Blair King, City Manager

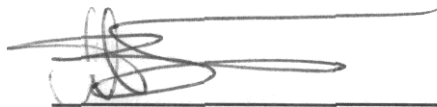
At the completion of their review, the committee did make a recommendation that Eden Housing be selected for further consideration. Staff is prepared to bring that recommendation to the City Council on April 1, 2009, and seek approval to enter into negotiations with Eden Housing.

From that point, Eden Housing will pursue their due diligence in reviewing the site in advance of a Disposition and Development Agreement and the subsequent reallocation of CDBG funds for the acquisition of the property.

In regards to the Railroad Avenue Project site, the City maintains the first right to acquire the land. Furthermore, we have maintained contact with PAM Development as they are still interested in doing a project at this site in the future. Before pursuing any further development of that site however, both the developer and city staff are likely to engage the surrounding community through public meetings to determine the best-suited project for that specific location.

**FISCAL IMPACT:** N/A

**FUNDING AVAILABLE:** N/A

  
\_\_\_\_\_  
Konradt Bartlam  
Community Development Director

**DEVELOPMENT EXPERIENCE**

Overview & Development Experience

40 years of experience in property entitlement, development and construction.  
5072 residential units in 70 developments.  
Nationally recognized, award winning projects.

Senior Housing Development Experience

One-fourth of Eden’s development activity has been senior housing.  
1254 units of senior housing since inception.  
375 senior housing units to be constructed in next two years.

**FINANCE EXPERIENCE**

Public/Private Partnerships

All development projects have been partnerships with municipalities.

Experience with Financing Instruments

All development projects have utilized public and private financing.  
Has participated in federal programs administered by HUD.  
    • Section 202 Program  
    • Section 811 Program  
Has participated in State Housing and Community Development-administered programs.  
    • Calif. Housing Rehabilitation Program (CHRP)  
    • Rental Housing Construction Program (RHCP)  
    • Multifamily Housing Program (MHP)  
    • State HOME Program  
Private financing –  
    • Tax-exempt bonds  
    • Both 4% and 9% low-income tax-credit programs.

**Domus Development**

For-profit developer formed in 2003. Partnering with Affordable Housing CDC.  
320 affordable housing units developed.  
250 units in pre-construction.  
300+ units in pre-development.  
All Domus projects exceed Title 24 standards with many designed to meet LEED certification.

One-half of Domus’ developed units have been for senior housing.  
Integrates supportive services.

Every project has been either a joint developme nt or public/private partnership.  
Has worked with SHRA, Pittsburg RDA, Sonoma County RDA

Has participated in federal programs administered by USDA.  
    • USDA Rural Development  
Has participated in State Housing and Community Development-administered programs.  
    • Multifamily Housing Program (MHP)  
    • State HOME Program  
Private financing –  
    • Tax-exempt bonds  
    • Low-income tax-credit program. (4%)

SIMILAR PROJECTS		Eden Housing	Domus Development
COMMUNITY OUTREACH EXPERIENCE		List of projects and accompanying photos included.	List of projects and accompanying photos included.
Community Involvement Philosophy		Experience providing information, outreach, and opportunities for participation helps secure support from community. From development phase through completion and operation, staff works to build and enhance community relationships. Tours for public officials and providing opportunities for neighbors and other stakeholders to shape a project’s design and site layout through the design charette process.	Always seeks the engagement and participation of community members and stakeholders in their development endeavors. Management staff also builds relationships with community and service agencies to strengthen communication between neighbors and the community.
MANAGEMENT, MARKETING & SERVICE EXPERIENCE			
Marketing and Leasing Experience		Extensive experience marketing and managing units governed by a variety of regulatory requirements. Experience integrating additional selection criteria required by local jurisdictions.	Staff certified in low-income housing tax credit program, fair housing, HUD and USDA RD.
Managing and Operating Experience		Maintains permanent ownership of rental properties developed. Eden Housing Management, Inc. established in 1984. Manages more than 3000 units at 55 properties.	Domus Management Company established in 2007. 663 total units managed. Manages 16 units locally for LOEL Center and another 178 senior units throughout California.
Resident Services		Eden Housing Resident Services, Inc. formed in 1995, Provides services to over 3000 low income individuals. Currently provides services at 11 of the 14 senior properties. Four of those in San Joaquin County make them well-situated to provide for this project site. Proactive in collaborating with local service organizations.	No information provided.
Board & Development Team Experience		List provided for Eden Housing, Eden Housing Management and Eden Housing Resident Services.	List provided for Domus Development, Affordable Housing CDC and Domus Management Company.

	Eden Housing	Domus Development
FINANCIAL CAPACITY	<p>Audited financial statements provided.</p> <p>Established partnerships with an array of lenders and investors and all major tax credit investors in the Bay Area.</p>	<p>Audited financial statements provided.</p> <p>Broad range of financial relationships. Through Newport Partners, Domus has direct access to predevelopment and tax credit equity capital.</p>
DEVELOPER STATUS	<p>No bankruptcy or re-organization proceedings. Not debarred, suspended, or prohibited from receiving or working with Federal, State or local funding.</p>	<p>No bankruptcy or re-organization proceedings. Not debarred, suspended, or prohibited from receiving or working with Federal, State or local funding.</p>
EMPLOYMENT POLICIES	<p>Equal Employment Opportunity Policy provided.</p>	<p>Non-Discrimination and Equal Employment Policy provided.</p>
ARTICLE 34 ISSUES	<p>Extensive experience in structuring affordable housing developments to comply with and/or avoid issues related to Article 34.</p> <p>Cites 49% exemption as means of avoiding Art. 34</p> <p>Provides a copy of article from M. David Kroot/Goldfarb &amp; Lipman LLP for more detail on Article 34 issues.</p>	<p>Extensive experience in structuring affordable housing developments to comply with and/or avoid issues related to Article 34.</p> <p>Cites 49% exemption.</p>

# City of Lodi



## **Request for Qualifications Affordable Housing Developer**

### **Roget Park Affordable Senior Housing Development Project**

**Submittal Deadline: January 23, 2009, 4:30 pm**

City of Lodi Community Development Department  
221 W. Pine Street  
Lodi, CA 95240

Staff Contact: Joseph Wood, Community Improvement Manager  
(209) 333-6711  
[jwood@lodi.gov](mailto:jwood@lodi.gov)

## **Section 1. Introduction**

The City of Lodi is requesting a **Statement of Qualification and Interest** from well-qualified developers and/or development teams, who have the capacity and expertise to develop, construct and operate an affordable senior housing project in Lodi. As this project includes an allocation of Community Development Block Grant (CDBG) funding for land acquisition from the City, either the Developer or a member of the development team must be a non-profit entity in order to qualify for the funding.

The City of Lodi intends to work with the Developer through the planning process and development of a quality affordable senior housing project that will provide long-term affordable housing for seniors.

## **Section 2. Project/Site Description**

The City of Lodi currently owns a 3.39 acre vacant parcel located at 2245 Tienda Drive. The site is adjacent to another City-owned parcel that will be developed, in conjunction with the housing project, as a passive use park. The site is also adjacent to a major shopping center that includes a Target, Marshall's, a Safeway grocery store and several other service-related businesses and dining establishments.

The project is to be age restricted for seniors in accordance with all applicable laws. The City favors projects that provide residents with services such as transportation, on-site community center, recreational activities and other ancillary services. Local transit services are operated through the City and can be modified to better serve this project site as necessary.

The property is currently zoned R-1/R-2, however, the City will support a zone change to PD-Planned Development to accommodate the desired project for this site.

## **Section 3. Project Funding/Financial Assistance**

The City has the ability to allocate Community Development Block Grant (CDBG) and HOME Program funding to a non-profit developer for the acquisition of the site. The City also has additional CDBG funding available to allocate for eligible pre-development costs, fees, etc.

In addition to the funding necessary to construct the housing project on this site, it is expected that the Developer will also look for local, state and federal funding opportunities to assist with the development of the adjacent park site.

## **Section 4. Eligible Applicants**

The City welcomes applications from affordable housing developers who are interested in working with City staff to develop this affordable senior housing project. The City expects applicants to make the planning and development process a very public process



that will include meetings with the surrounding neighborhoods, businesses, interested groups, as well as the City Council and Planning Commission.

The City hopes to collect qualification submittals from developers that have project experience with layout and unit design, completing and incorporating public outreach, undergoing project planning review, obtaining building permits, coordinating the multiple stages and subcontractors related to project development, and overseeing overall proforma/development costs and corresponding draws throughout construction. The Developer should also have an established track record and history in obtaining Low Income Housing Tax Credits.

Developer responsibilities include:

1. Execute Disposition and Development Agreement, which will describe the terms and conditions for the project.
2. Conduct community outreach to gain support for the project.
3. Secure financing necessary to complete all entitlements.
4. Secure funding for required environmental investigations and remediation.
5. Obtain environmental clearance.
6. Design the project, which shall be financially feasible for this site.
7. Secure funding for site development, including construction financing and permanent financing.
8. Develop site to applicable building and design standards.
9. Obtain certificates of occupancy.
10. For an affordable rental project, market and lease up units to qualified seniors at affordable rents and provide on-going property management services.
11. For an affordable ownership project, establishing a Homeowner's Association for the project, including the creation of documents, DRE approval, etc., and the marketing, buyer selection and the subsequent sale of the units.

## **Section 5. Submission Requirements and Closing Date**

The **Statement of Qualification and Interest** shall be prepared in a simple and economical manner that provides concise description of capabilities to satisfy the requirements of this RFQ, and shall include the following information:

### Cover Letter

The response shall include the name, address, e-mail address, telephone and facsimile numbers, and contact person(s) who will be authorized to represent and sign on behalf of the Developer. The letter shall be signed by an officer authorized to bind the company.

### Summary of Experience and Qualifications

The summary shall provide evidence of the Developer's relevant experience with affordable housing, including as a minimum;

1. Description of experience in developing and financing affordable housing projects, such as the number of developments with restricted units and types of financing used, i.e. Low Income Housing Tax Credits, HOME funds, Redevelopment funds and other State/Federal sources. Include experience in property entitlement, entitlement process, development and construction.
2. A list of similar projects, including locations, pictures and brief descriptions of the nature of the projects.
3. Description of experience in past community outreach efforts.
4. Description of experience in marketing, leasing, managing and operating affordable senior housing or other housing projects.
5. Description of experience in qualifying tenants and conducting income recertification.
6. Experience and qualifications of executive officers and Board of Directors, as well as key staff members that would likely be assigned to this project.

Financial Capacity

Include the most recent audited financial statement for the developer and other proposed affiliated organizations.

Developer Status

Provide a certified statement that the Developer is not involved in any bankruptcy or re-organization proceedings, and not subject to any pending action; and that the Developer is not presently debarred, suspended, or otherwise prohibited from professional practice or working with any Federal, State, local or other public funding. Identify any projects or loans on which the Developer has defaulted during the last 5 years.

Employment Policies

Provide a copy of the Developer's current non-discrimination and equal employment policy. If such a policy does not exist, then a signed statement of non-discrimination and equal employment shall be completed.

Article 34 Issues

Provide background on experience dealing with issues related to Article 34 of the California Constitution which pertains to affordable housing development.

The City places emphasis on completeness and clarity of the responses, which should include sufficient detail to allow for accurate evaluation. Omission of any of the above requested information, or misleading and incomplete information may be grounds for rejection.

Developers responding to this RFQ shall submit five (5) copies of the **Statement of Qualification and Interest**, in a sealed envelop marked "Roget Park Affordable Housing Developer" prior to the closing date of **Friday, January 23, 2009, at 4:30 pm**. All late submittals will be rejected and returned unopened.

Proposals shall be delivered to :

City of Lodi Community Development Department  
221 W. Pine Street  
Lodi, CA 95240  
Attention: Joseph Wood

It is the sole responsibility of the Developer to ensure that the proposal is received before the closing date, at the above address. No oral, telegraphic, electronic, facsimile or telephonic proposals or modifications will be considered. The City is not responsible for deliveries made to any place other than the specified address. Once opened, the responses become public records and available for public review, as permitted by the California Public Records Act.

Based upon the review of qualifications, City staff may require developer(s) to make a presentation.

City staff will recommend a developer to the City Manager, who in turn will make a recommendation to the City Council for consideration and approval. Upon City Council approval, the City will negotiate and enter into a Disposition and Development Agreement with the selected Developer.

#### **Section 6. Waiver and Rights of the City**

The City reserves the right, at its discretion, to pursue any and all of the following actions relating to the RFQ.

1. Request clarification or additional information from the Developers.
2. Invite one or more Developers for interviews or presentations.
3. Accept or reject, in whole or in part, submittals received in response to the RFQ.
4. Negotiate with any qualified source.
5. Cancel in whole or in part this RFQ.
6. Amend this RFQ by written addendum. Such addendum would be made available to each person or organization which City records show received this RFQ.
7. Waive any irregularities in any proposal.
8. Issue subsequent RFQ/P's based upon refinement of concepts proposed in response to this RFQ.
9. Negotiate an agreement based on original proposals or on the basis of additional information obtained.

10. Negotiate modifications with any Developer as necessary to serve the best interest of the project.

The City will not be liable for any costs incurred by Developers responding to this RFQ. The RFQ is not a contract or commitment of any kind. The City reserves the right to reject any or all proposals, and not proceed with the development of the property.

It is City policy to assure equal opportunity to all persons, in the award and performance of any contract, without regard to race, color, sex, religion, national origin, ancestry, age, marital status, physical or mental disability, or sexual orientation.

#### **Section 7. Additional Information**

Copies of all RFQ packages received by the deadline will be available on Monday, January 26, 2009, and may be examined and obtained at the Lodi City Hall located at 221 W. Pine Street. Copies of this RFQ may be obtained by contacting Joseph Wood at (209) 333-6711 or [jwood@lodi.gov](mailto:jwood@lodi.gov).

All questions or clarifications shall be requested in writing to [jwood@lodi.gov](mailto:jwood@lodi.gov) not less than seven (7) calendar days prior to the RFQ closing date.

#### **Section 8. Exhibits**

- A. Site Map and Location



Vandenburgh Villa  
Livermore, CA



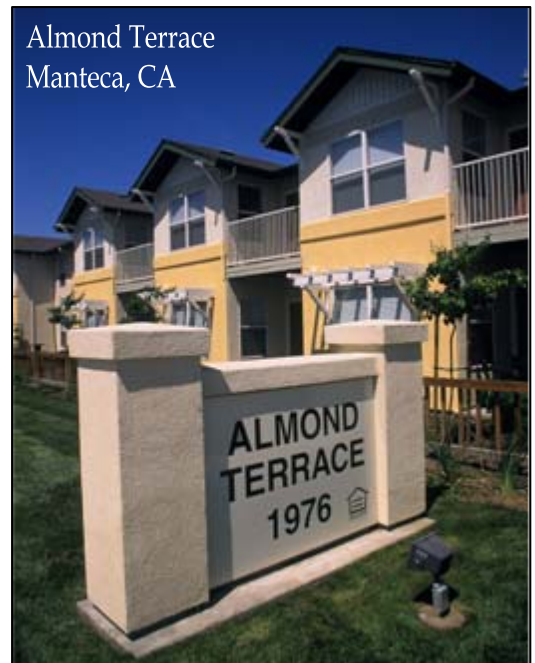
Wicklow Square  
Dublin, CA



Brentwood Senior Commons  
Brentwood, CA



Almond Terrace  
Manteca, CA



Response to Request for Qualifications  
Roget Park Affordable Senior Housing Development  
City of Lodi  
January 23, 2009

January 23, 2009

Joseph Wood  
City of Lodi Community Development Department  
221 W. Pine Street  
Lodi, CA 95240

RE: Request for Qualified Developers Submittal, Roget Park Development

Dear Mr. Wood:

Eden Housing, Inc. (Eden) is pleased to present its qualifications to the City of Lodi for the Roget Park Development. As one of California's leading non-profit housing developers, Eden is uniquely qualified to develop this project. Eden's goal is to build a vibrant and sustainable community in a physical environment that will provide the greater community with attractive, quality, infill housing that will be a complement to the surrounding area. Specific attributes of our experience are exceptionally well suited to this project:

- **Affordable Housing Development Experience:** Over its 40 year history, Eden has completed over 5,000 housing units, most of which have been developed on suburban infill sites. Our track record speaks to our ability to develop new housing within the context of existing neighborhoods, providing a valuable affordable housing resource that is an asset to its community because of its affordability, as well as an asset to its neighborhood because of its design and management. Eden was recently recognized by Affordable Housing Finance Magazine as one of the top 50 Affordable Housing Owners in the United States.
- **Commitment to Operations:** Eden's work goes beyond building attractive communities; we are committed to long-term quality operations and creating a supportive living environment for our residents. Our affiliate nonprofit organizations, Eden Housing Management Inc. and Eden Housing Resident Services, Inc. provide professional and compassionate property management and supportive services to our senior and family residents.
- **Community Redevelopment Experience:** Eden has a long history of working in partnership with local communities to implement their visions for affordable housing and community redevelopment. A significant portion of Eden's work involves the implementation of a community or specific planning vision created by our City partners.
- **Commitment to Community Process:** A key aspect of Eden's success is our ability to obtain neighborhood support for our developments. We have worked in a wide variety of communities that have been both supportive of and resistant to the development of affordable housing in their neighborhoods. Eden works closely with City staff to identify important stakeholders and reach out to them to generate feedback and support for our developments. Our focus has always been to engage the community and respond to their needs and concerns to the best of our ability. We believe that this results in a better development and creates a positive dialogue with the community which benefits the project and the City in the long term. At the recent Grand Opening for Rivertown Place

in Antioch, the Mayor thanked us for meeting or exceeding every one of the City's expectations for community process and the development of the project.

- **Financing Experience:** Eden's track record includes developments financed by HUD, the Low-Income Housing Tax Credit Program, tax-exempt bonds, State of California financing, and local and private financing sources.
- **Design:** Eden has won numerous awards for its developments. We work closely with our city partners and the design team to craft a development that meets the needs of the residents and the design objectives of the city and the surrounding neighborhood. We are also committed to green building. We completed one of the first Green Point Rated developments in Alameda County, and our second Green Point Rated development, a senior community in San Leandro, will begin construction in February. In Richmond, we are piloting the LEED for Neighborhood Development standards program.

The attached proposal describes in detail Eden's experience and capabilities. We are excited about the prospect of partnering with the City of Lodi to create a high quality development at the Roget Park site. Any questions concerning this proposal can be directed to:

Andrea Papanastassiou, Director of Real Estate Development  
Eden Housing, Inc.  
22645 Grand Street  
Hayward, CA 94541  
Phone: 510-247-8118  
Fax: 510-582-0122  
[apapanastassiou@edenhousing.org](mailto:apapanastassiou@edenhousing.org)

Thank you for the opportunity to submit our qualifications for this exciting opportunity.

Sincerely,

A handwritten signature in cursive script, reading "Linda Mandolini".

Linda M. Mandolini  
Executive Director



## **Response to Request for Qualifications Roget Park Affordable Senior Housing Development**

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- A. Summary of Experience and Qualifications
  - 1. Development and Financing Experience
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Tenants and Conducting Income Recertification
  - 2. Resident Services
- C. Board of Directors and Development Team
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- E. Developer Status
- F. Employment Policies
- G. Article 34 Issues



## **Section A1 Development and Financing Experience**

### **OVERVIEW & DEVELOPMENT EXPERIENCE**

Eden Housing, Inc. is a fully integrated non-profit development corporation with two subsidiary companies – Eden Housing Management, Inc. (EHMI), Eden's property management company, and Eden Housing Resident Services, Inc. (EHRSI), which provides services to our senior and family apartment projects.

Eden Housing has over 40 years of experience in property entitlement, development and construction. Eden has developed 5,072 residential units in 70 developments and over 60,100 square feet of commercial space in cities throughout the Bay Area (included in this section is a full project list.) Today, Eden Housing stands out as one of the most productive and successful nonprofit affordable housing developers in California. Eden was recently recognized by Affordable Housing Finance Magazine as one of the Top 50 Affordable Housing Owners in the country. Eden is recognized in the industry for its creative development approach that includes collaborating with local governments and tailoring projects to suit the locale. In addition, Eden places a high value on design through the work of talented designers and builders and is committed to crafting developments that give careful attention to the needs of residents and the surrounding neighborhood. Indeed, Eden has won more than 40 awards for its work, including the recent recognition of Sara Conner Court Development in Hayward, which was nominated by Affordable Housing Finance Magazine as a finalist in the Family Housing Category for the National Readers' Choice Award. Other recent awards include Victoria Green in Hercules and Chesley Apartments in Richmond, both family housing complexes which won Merit Awards from the Pacific Coast Builders, Gold Nugget Competition. A complete list of awards is included in this section.

### ***Senior Housing Development Experience***

Approximately one-fourth of Eden's development activity has been senior housing with more than 1,254 units of senior housing developed since Eden's inception. In addition, about one-third of the new apartments in Eden's pipeline are senior housing developments comprising over 375 new units to be constructed over the next two years. Through frequent assessment of its successfully completed projects, Eden has arrived at stringent design standards to include amenities and floor plans that facilitate and promote independent living for seniors and enable them to age in place. Furthermore, a long history of collaborative work with community senior services attests to Eden's ability to unite with local providers to create quality senior housing environments.

## **FINANCING EXPERIENCE**

Eden has the appropriate financial capacity to undertake significant development projects. Eden's current financial statement is included as part of this RFQ (section on Financial Capacity). Eden has completed both new construction and rehabilitation projects ranging in size from 4 units to 200 units. The cumulative value of Eden's portfolio is approximately \$512 million, with another \$345 million in pipeline developments.

➤ **Experience with Public/Private Partnerships:** All of Eden's developments have been carried out in partnership with municipalities. Because of our strong reputation and track record we have been invited to work with communities throughout Northern California and beyond.

➤ **Experience with Financing Instruments:** All of Eden's development projects have utilized public and private financing. Eden has participated in federal programs administered by HUD such as the Section 202 Program for senior housing and Section 811 Program for housing serving persons with disabilities. Eden has utilized State Housing and Community Development Department-administered funding programs for decades including the older California Housing Rehabilitation Program (CHRP) and Rental Housing Construction Program (RHCP), as well as the more recent Multifamily Housing Program (MHP) and State HOME Program. At the local levels, Eden uses redevelopment tax-increment funds for affordable housing, housing in-lieu funds, CDBG and HOME funds. Eden's experience with private financing instruments includes tax-exempt bonds and low-income housing tax credits – both the 4% and competitive 9% programs. Due to our long-standing relationships and large portfolio, we can gain the most competitive financing terms for a project and the highest available limited partner contributions. We were the first developer in the state of California to receive tax credits and have been continuously successful in acquiring tax credits for a multitude of projects. We have been successful in obtaining Federal Home Loan Bank Affordable Housing Program (AHP) Grant financing for over a dozen projects. Eden has also secured various grants administered by the Metropolitan Transportation Commission under two programs – Transportation for Livable Communities and Housing Incentive Program. Both programs are designed to reward localities and projects that are high density, transit-based projects that include affordable units. Eden is also well-versed in the State's new funding sources for transit-oriented and infill projects, available through Proposition 1C. Eden has been active in the recent round of stakeholder comment periods and will be applying for funding in the upcoming NOFA for at least two other projects.

Eden has established partnerships with an array of lenders and investors, including Bank of America, Wells Fargo, Union Bank, U.S. Bank, Citibank, California Community Reinvestment Corporation, Silicon Valley Bank, Merritt Community Capital, Enterprise Social Investment Corporation, Aegon, Apollo, and the California Equity Fund.

**HUD Programs**

Most of Eden's portfolio serving special needs households – seniors and persons with disabilities – has been financed through the HUD Section 202/811 Programs, the majority of which have been processed through the HUD San Francisco Regional Office. 551 independent-living senior units and 172 units for persons with disabilities have been completed with these funds, which leveraged other local predevelopment, construction and permanent sources.

PROJECT NAME	LOCATION	NUMBER OF UNITS	COMPLETION DATE
<b>Senior</b>			
Eden Lodge	San Leandro	143	1980
Eden Issei	Hayward	100	1984
Sequoia Manor	Fremont	81	1989
Rosewood Terrace	Union City	45	1999
Community Heritage	North Richmond	52	2000
Almond Terrace	Manteca	50	2004
Wisteria Place	Union City	40	2004
Vandenburg Villa	Livermore	40	2005
Almond Court	Manteca	40	2009
<b>Disabled</b>			
Olive Tree Plaza	Hayward	26	1986
Redwood Lodge	Fremont	24	1989
Fuller Lodge	San Leandro	26	1991
E.C. Magnolia	Hayward	21	1992
Casa de los Amigos	San Jose	24	1996
Pacific Grove	Fremont	20	1997
Fuller Gardens	San Leandro	16	2004
Edenvale Supportive Housing	San Jose	15	2007

Currently in the pipeline is a 51-unit senior development in San Leandro financed by HUD 202, City of San Leandro, County of Alameda HOME and CHDO funds, Federal Home Loan Bank, tax-exempt bonds and 4% tax credits. Construction is anticipated to begin in February of 2009. Additionally, Eden was recently awarded Section 202 funding for a 96 unit independent-living senior development in Fremont.

Eden has several HUD-financed developments in its portfolio that have project-based Section 8 contracts. In addition, Eden is in the process of acquiring a 142-unit family development that has a Section 8 Contract for 100% of the units. Beyond that, Eden has received project-based Section 8 contracts from the Contra Costa Housing Authority for two recent developments – Samara Terrace in Hercules and Brentwood Senior Commons in Brentwood.

***Low Income Housing Tax Credit Program***

Eden's most recent competitive 9% tax credit project was completed in June 2008: **Hayward Senior Housing** is a 60-unit (independent-living) senior rental development in Hayward serving seniors below 50% of the area median income. Since 2003, Eden has been able to successfully secure an allocation of competitive 9% low income housing tax credits in every round in which we have applied.

Other recent 9% tax credit projects include:

- **Rivertown Place, (Antioch)**, completed in 2008, this \$12.5 million 40-unit family rental housing development is second phase of the downtown residential revitalization efforts in Antioch. The development serves families with incomes at or below 50% of the area median income.
- **Samara Terrace Apartments, (Hercules)**, completed in 2006, Samara Terrace is a 52-unit senior development conveniently located adjacent to the Hercules Senior Center and the new Hercules library. This \$10 Million development includes a community lounge with a full kitchen and fireplace, a computer center, trellised patios and a large community garden.
- **Brentwood Senior Commons, (Brentwood)**, completed in 2006, features 80 units serving seniors households at or below 50% of area median income. This \$10 million development consists of seven residential buildings attractively arranged around a central community building and includes a swimming pool and spa.
- **Sara Conner Court (Hayward)**, completed in 2006 includes 57 apartments for families located on the site of a former gas station and dry cleaning facility. The \$20.6 million development serves families at or below 60% of the area median income. Apartments are laid out surrounding a landscaped courtyard with a tot lot and barbecue areas, and the development includes a community room, computer lab and management and services offices
- **Wicklow Square Apartments, (Dublin)**, completed in 2005, features 54 units serving senior households below 50% of area median income. This \$11 million high-density development represents Eden's first partnership with the City of Dublin.
- **Nugent Square Apartments, (East Palo Alto)** completed in 2005, provides 32 units of very low income housing serving families in East Palo Alto as well as commercial office space to our partner, EPA Can Do. This \$11 million project is also Eden's first completed development in East Palo Alto and San Mateo County.
- **West Rivertown Apartments, (Antioch)** completed in 2003, this \$14 million family rental housing development features 57 units affordable to households with incomes of up to 60% of area median income.
- **Harris Court (Hayward)**: a \$2,500,000 rehabilitation project of 24 family units in a targeted neighborhood.

Eden has been very successful at maximizing tax credit investments in its affordable housing projects. Eden has relationships with all of the major tax credit investors in the Bay Area, including US Bank, Enterprise, Merritt Community Capital, Union Bank, Aegon, and Apollo. With assistance from its financial consultants, Eden seeks to maximize the investor's pay-in on all of its tax credit projects.

Eden has also used various tax-exempt financing models, including CalHFA, private placements with Union Bank, Wells Fargo Bank, Bank of America and Citibank, and public issuances. Most of the tax-exempt financing also utilized 4% tax credits. Recently completed tax-exempt bond projects include:

- **Walker landing (Hayward):** A 78-unit family rental housing development financed with tax-exempt bonds held by Union Bank of California - \$13.7 million for construction and \$1.9 million for permanent financing. An additional \$6.3 million was provided by the State Multifamily Housing Program.
- **Victoria Green (Hercules):** A 132-unit family rental housing development financed with tax-exempt bonds provided by CalHFA - \$20 million for construction and \$9.7 million for permanent financing. An additional \$5,164,309 was provided by the State Multifamily Housing Program.
- **Downtown River Apartments (Petaluma):** an 81-unit family rental housing development financed with \$11.5 million in tax-exempt bonds held by Wells Fargo during construction and \$5.8 million held by California Community Reinvestment Corporation during the permanent phase.
- **Chesley Mutual Housing (Richmond):** a 30-unit family rental housing development financed by over \$5 million in tax-exempt bonds held by U.S. Bank during construction and \$1.2 million for permanent financing.
- **Union Court (Manteca):** a 68-unit family rental housing rehabilitation financed with \$4.6 million in tax-exempt bonds held by Wells Fargo Bank during construction and \$1.3 million held by CalHFA during the permanent phase. \$1,681,338 was provided by the State Multifamily Housing Program.

Other projects include:

- **Ohlone Chynoweth Commons (San Jose):** The Ohlone Chynoweth Commons project provides 194 units of family rental housing and was financed with a \$16.2 million and \$14.2 million tax-exempt construction and permanent bond, respectively, issued by the City of San Jose in a public issuance;
- **Stone Pine Meadow (Tracy) and Owl's Landing (Livermore):** These two 72-unit family rental housing developments used tax-exempt bonds provided by the California Housing Finance Agency (CalHFA). Stone Pine Meadow was completed in 2000 with a CalHFA loan of \$2.4 million with a total development cost of \$9.5 million. Owl's Landing was completed shortly thereafter with a CalHFA loan of \$4.8 million with a total development cost of just under \$14.6 million

**Section A1  
Development Summary List**

<b>COMPLETED DEVELOPMENTS</b>	<b># of Units</b>	<b>Developed by EHI</b>	<b>Managed by EHMI</b>	<b>Construction Type</b>	<b>Housing Type</b>	<b>Housing Population</b>	<b>Commercial Square Feet</b>	<b>Year Completed</b>
Rehabbed Homes, Oakland	6	x		Acq/Rehab	Home-Owner	Family		1968
Josephine Lum Lodge, Hayward	150	x	x	New	Rent	Senior		1973
Eden Lodge, San Leandro	143	x	x	New	Rent	Senior		1980
La Solana, Hayward	58	x		New	Home-Owner	Family		1982
La Solanita, Hayward	6	x		New	Home-Owner	Family		1982
Summerwood, Hayward	163	x		New	Rent	Family		1983
10th & D Street, Union City	3	x	x	Acq/Rehab	Rent	Family		1982
Grove Way, Hayward	8	x	x	Acq/Rehab	Rent	Family		1982
Eden Issei, Hayward	100	x	x	New	Rent	Senior		1984
Sparks Way, Hayward	45	x	x	New	Home-Owner	Family		1984
Sycamore Square, Hayward	26	x	x	New	Rent	Family		1983
Greenhaven, Union City	250	x		New	Rent	Family		1984
Tyrrell Gardens, Hayward	28	x		New	Home-Owner	Family		1985
Olive Tree Plaza, Hayward	26	x	x	New	Rent	Disabled		1986
Heritage Park, Livermore	167	x		New	Rent	Senior		1986
Huntwood Terrace, Hayward	104	x		New	Rent	Family		1988
Cypress Glen, Hayward	54	x	x	New	Rent	Family		1987
Huntwood Commons, Hayward	40	x	x	New	Rent	Family		1988
Mission Wells, Fremont	392	CO-GP		New	Rent	Family		1988
Ridge View, Pleasanton	200	x		New	Rent	Senior		1989
Sequoia Manor, Fremont	81	x	x	New	Rent	Senior		1989
Baywood Apts., Fremont	82	x	x	New	Rent	Family		1990
Redwood Lodge, Fremont	24	x	x	New	Rent	Disabled		1989
Westporte, Hayward	94	x		New	Home-Owner	Family		1990
Fuller Lodge, San Leandro	26	x	x	New	Rent	Disabled		1991
E.C. Magnolia Court, Hayward	21	x	x	New	Rent	Disabled		1992
Stoney Creek Apts., Livermore	70	x	x	New	Rent	Family		1992
Washington Creek, Petaluma	32	x	x	New	Rent	Family		1993
Villa Springs, Hayward	66	x	x	Acq/Rehab	Rent	Family		1993
Glen Eden, Hayward	36	x	x	New	Rent	Family	4,000	1993
Glen Berry, Hayward	50	x	x	New	Rent	Family	1,200	1994

***Response to Request for Qualifications  
Roget Park Affordable Senior Housing Development***

***City of Lodi***

<b>COMPLETED DEVELOPMENTS</b>	<b># of Units</b>	<b>Developed by EHI</b>	<b>Managed by EHMI</b>	<b>Construction Type</b>	<b>Housing Type</b>	<b>Housing Population</b>	<b>Commercial Square Feet</b>	<b>Year Completed</b>
Corona Ranch, Petaluma	74	x	x	New	Rent	Family		1994
Corona Crescent, Petaluma	16	x		New	Home-Owner	Family		1994
The San Pablo, Oakland	144	x		Acq/Rehab	Rent	S&D	8,500	1995
Catalonia, San Jose	50	x	x	New	Rent	Family		1995
Laulima House, Oakland	9	x		Acq/Rehab	Rent	Family		1996
Casa de los Amigos, San Jose	24		x			Disabled		1996
Emerson Arms Apt, Martinez	32	x	x	Acq/Rehab	Rent	Family		1996
Kirker Court, Clayton	20		x		Rent	Disabled		1996
Riverhouse, Martinez	74		x		Rent	SRO	2,000	1996
B Street Bungalows, Hayward	4	x		New	Home-Owner	Family		1996
Eden Palms, San Jose	145	x	x	New	Rent	Family		1997
Pacific Grove, Fremont	20	x	x	New	Rent	F & D		1997
409 Jackson St., Hayward		x	x	Acq/Rehab			10,000	1998
Hillview Glen, San Jose	180	x		New	Rent	F & D		1996
Stone Pine Meadow, Tracy	72	x	x	New	Rent	Family		2000
Owls' Landing, Livermore	72	x	x	New	Rent	Family		2000
Community Heritage, N. Richmond	52	Co-Dev	x	New	Rent	Senior	10,000	2000
Parkside Glen, San Jose	180	Co-GP		New	Rent	Family		2000
Ohlone-Chynoweth, San Jose	194	x	x	New	Rent	Family	6,900	2000
Rosewood Terrace, Union City	45	x	x	New	Rent	Senior		2000
Harris Court, Hayward	24	x	x	Acq/Rehab	Rent	Family		2000
Virginia Lane, Concord	91	x	x	New	Rent	Family		2001
Adams Ave Homes, Fremont	17	x		New	Lease	Family		2002
Union Court , Manteca	68	x	x	Acq/Rehab	Rent	Family		2003
West Rivertown, Antioch	57	x	x	New	Rent	Family		2003
Almond Terrace Sr., Manteca	50	x	x	New	Rent	Senior		2004
Fuller Gardens, San Leandro	16	x	x	New	Rent	Disabled		2004
Victoria Green, Hercules	132	x	x	New	Rent	Family		2004
Wisteria Place, Union City	40	x	x	New	Rent	Senior		2004
Nugent Square, East Palo Alto	32	Co-GP	x	New	Rent	Family		2005
Downtown River, Petaluma	81	x	x	New	Rent	Family	5,500	2005
Chesley Mutual Housing, Richmond (JV w/CHDC)	30	x	x	New	Rent	Family		2005
Vandenburgh Villa, Livermore	40	x	x	New	Rent	Senior		2005

***Response to Request for Qualifications  
Roget Park Affordable Senior Housing Development***

***City of Lodi***

<b>COMPLETED DEVELOPMENTS</b>	<b># of Units</b>	<b>Developed by EHI</b>	<b>Managed by EHMI</b>	<b>Construction Types</b>	<b>Housing Types</b>	<b>Housing Populations</b>	<b>Commercial Square Feet</b>	<b>Year Completed</b>
Wicklow Square, Dublin	54	x	x	New	Rent	Senior		2005
Sara Conner Court, Hayward	57	x	x	New	Rent	Family		2006
Samara Terrace, Hercules	52	x	x	New	Rent	Senior		2006
Brentwood Senior Commons, Brentwood	80	x	x	New	Rent	Senior		2007
Edenvale Special Needs, San Jose	15	x	x	New	Rent	Disabled		2007
Rivertown Place, Antioch	40	x	x	New	Rent	Family		2008
Walker Landing, Hayward	78	x	x	New	Rent	Family		2008
Hayward Senior / Eden Office, Hayward	60	x	x	New	Rent	Senior	12,000 s.f.	2008
<b>Projects Completed = 70 incl. commercial spaces Unit Totals:</b>	<b>5,072</b>						<b>60,100 s.f.</b>	

<b>DEVELOPMENTS IN PROGRESS</b>	<b># of Units</b>	<b>Developed by EHI</b>	<b>Managed by EHMI</b>	<b>Construction Type</b>	<b>Housing Type</b>	<b>Housing Population</b>	<b>Density (DU/A)</b>	<b>Commercial Square Feet</b>	<b>Projected Completion Date</b>
Almond Court, Manteca	40	x	x	New	Rent	Senior	19		2009
Cannery Square Inclusionary, San Jose	30	x	x	New	Rent	Senior	55		2009
Ashland Village, Alameda County	142	x	x	Acq/Rehab	Rent	Family	19		2009
San Leandro Senior Housing, San Leandro	52	x	x	New	Rent	Senior	54		2010
Healdsburg Family, Healdsburg	64	x	x	New	Rent	Family	20		2010
Lafayette Senior Housing, Lafayette	48	x	x	New	Rent	Senior	58		2011
Palo Alto Family Housing, Palo Alto	50	x	x	New	Rent	Family	81	22,000 s.f. retail/office	2011
Peralta Senior Housing, Fremont	98	x	x	New	Rent	Senior	33	9,000 s.f. Health Services	2011
Arroyo Vista Family, Dublin	130	x	x	New	Rent	Family	15		2011
Orinda Senior Housing, Orinda	55	x	x	New	Rent	Senior	38		2012
Arroyo Vista Senior, Dublin	50	x	x	New	Rent	Senior	25		2012
South Hayward BART, Hayward	125	x	x	New	Rent	Family	46		2012



***Response to Request for Qualifications  
Roget Park Affordable Senior Housing Development***

***City of Lodi***

<b>DEVELOPMENTS IN PROGRESS</b>	<b># of Units</b>	<b>Developed by EHI</b>	<b>Managed by EHMI</b>	<b>Construction Type</b>	<b>Housing Type</b>	<b>Housing Population</b>	<b>Density (DU/A)</b>	<b>Commercial Square Feet</b>	<b>Projected Completion Date</b>
Richmond Miraflores, Richmond (JV w/CHDC & market rate developer)	85	x	x	New	Rent	Family	63		2012
Novato Senior Housing, Novato	65	x	x	New	Rent	Senior	29		2012
Ford & Monterey Family & Disabled Housing, San Jose	95	x	x	New	Rent	Family/Disabled	31		2012
Palo Alto Senior Housing, Palo Alto	51	x	x	New	Rent	Senior	141		2013
<b>Projects In Progress &amp; Pipeline: 16</b> <b>Unit Totals:</b>	<b>1,180</b>							<b>31,000 s.f.</b>	

# Almond Terrace Manteca, CA



## Project Summary

**Project Name:** Almond Terrace

**Project Type:** Affordable Senior Rentals

**Location:** 1976 N. Union Road, Manteca, CA

**Number of Units:** 50

**Year Completed:** 2004

**Total Development Cost:** \$6,087,000

*Almond Terrace* is a 50-unit senior affordable rental apartment development located in Manteca, CA. All apartments are affordable to senior 62 years of age or older with incomes at or below 50% of the area median income. The six residential buildings are a mix of one and two stories and were designed to blend with the adjacent single family neighborhood. All units have one bedroom, each has a covered entry and a front porch, and most have a rear patio or deck. The 1,840 square foot Community Building has a lobby and mail area, community room and kitchen, management offices and a laundry room. This building is centrally located and is designed to host educational, social and recreational activities. The site is designed with outdoor gathering places, wide walkways and low maintenance landscaping.

**Developer:** Eden Housing, Inc.

**Architect:** Mogavero Notestine Associates

**General Contractor:** Brown Construction, Inc.



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# Almond Court Manteca, CA



## Project Summary

**Project Name:** Almond Court

**Project Type:** Affordable Senior Rentals

**Location:** 2030 N. Union Road, Manteca, CA

**Number of Units:** 40

**Year Completed:** 2009

**Total Development Cost:** \$8,700,000

*Almond Court* is a 40-unit affordable apartment complex for independent-living senior residents age 62 or older. The design and site plan of this development is similar to the adjacent 50-unit Almond Terrace Senior Apartments completed by Eden Housing in 2004 and now home to 77 seniors.

Almond Court consists of five buildings arranged around a courtyard. A central community building houses a multi-purpose room, outdoor patio area, laundry facility, restrooms, and the management office. A central pedestrian walkway and trellis connects the two adjacent senior developments. Each apartment is 560 square feet with one bedroom, one bathroom, living room, kitchen and dining area, and a private porch.

The outdoor space includes community gardens and comfortable landscaped seating areas. The community gardens, located on the northeast side of the property, will have raised vegetable planting areas as well as a potting table.

**Developer:** Eden Housing, Inc.

**Architect:** Mogavero Notestine Associates

**General Contractor:** Brown Construction, Inc.



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Wicklow Square Apartments  
Dublin, CA

## Project Summary

**Project Name:** Wicklow Square Apartments

**Project Type:** Affordable Senior Rentals

**Location:** 7606 Amador Valley Blvd., Dublin, CA 94568

**Number of Units:** 54

**Year Completed:** 2005

**Total Development Cost:** \$11, 094, 000

*Wicklow Square Apartments* is a 54-unit senior affordable housing rental apartment development in Dublin, CA. All units are affordable to seniors 62 years of age or older with incomes at or below 50% of the area median income. The building is three stories of residential units over an at-grade concrete parking garage with 30 tenant and staff parking spaces. All units have one bedroom and full kitchens for independent living. Each unit has a private balcony. Common area amenities include a lobby and mail area, reception area, community room, lounge, and central laundry. Outdoor amenities include a view deck overlooking the Senior Center, a trellised terrace and raised planter beds for tenant use. Dublin's new Senior Center is next door and a pedestrian path connects these two facilities. The development is also located adjacent to two shopping centers that include major retailers, a grocery store, pharmacies, restaurants, personal services and a small medical center.

**Developer:** Eden Housing, Inc.

**Architect:** Chris Lamen & Associates, Inc.

**General Contractor:** L&D Construction, Inc.



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# Vandenburgh Villa Livermore, CA





## Project Summary

**Project Name:** Vandenburg Villa

**Project Type:** Affordable Senior Rentals

**Location:** 3300 – 3340 Gardella Plaza, Livermore, CA

**Number of Units:** 40

**Year Completed:** 2005

**Total Development Cost:** \$8,000,000

*Vandenburg Villa* is a 2 ½-acre 40-unit senior apartment community, named to honor one of Eden Housing's founders, William Vandenburg, who remains an active board member. The development is financed by HUD and the City of Livermore with units affordable to seniors with incomes at or below 50% of the area median income. The development consists of four clusters of single-story buildings along a common circulation path to encourage a more intimate sense of community. All units are one-bedroom, except for a two-bedroom manager's unit. All have fenced front porches and access walks. Amenities include a 2,161 s.f. community building with community room and kitchen, laundry room, management offices, and restrooms. There is a patio, resident community garden, seating areas scattered throughout and low maintenance aesthetically pleasing landscaping.

**Developer:** Eden Housing, Inc.

**Architect:** Chris Lamén & Associates, Inc.

**General Contractor:** Brown Construction, Inc.



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Brentwood Senior Commons  
Brentwood, CA



## Project Summary

**Project Name:** Brentwood Senior Commons

**Project Type:** Affordable Senior Rentals

**Location:** 750 Larkspur Lane, Brentwood, CA

**Number of Units:** 80

**Year Completed:** 2007

**Total Development Cost:** \$19,812,854

*Brentwood Senior Commons* consists of seven residential buildings attractively arranged around a central community building. The residential buildings are all two stories and have between ten and sixteen apartments in each. A security gate along with lovely perimeter landscaping surrounds the residential buildings, which in turn encircle the community center and parking areas. This design layout helps shape Brentwood Senior Commons into a community where neighbors will interact daily.

All the apartments are one-bedroom and come with air conditioning and a washer-dryer unit. The apartments downstairs have patios, and the apartments upstairs have balconies for residents to each have some private outdoor space. There are 96 parking spaces total and each resident has one reserved carport space. The carports continue the buildings' architectural design, utilizing the same roofing tiles.

The community area is the heart of Brentwood Senior Commons. The 2,100 sq. ft. community building, with its large meeting room and adjacent small kitchen, will host both structured and casual resident social activities. The property manager's office and the resident services office are also in the building. The community room connects with the trellis covered central courtyard and is adjacent to the pool area, where seniors will gather many warm days. There are multicolored rose bushes around the community building.

The property is located within walking distance of the historic Brentwood downtown center, Brentwood City Hall, the Parks and Recreation Center, the library, the post office, and Heron Park. Residents of Brentwood Senior Commons have convenient access to public transportation on nearby Brentwood Boulevard (Hwy 4) via buses, as well as the dimes-a-ride bus route adjacent to the Oak Street side of the property.

**Developer:** Eden Housing, Inc.

**Architect:** Cooper Design Group

**General Contractor:** Brown Construction, Inc.



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Samara Terrace  
Hercules, CA



## Project Summary

**Project Name:** Samara Terrace

**Project Type:** Affordable Senior Rentals

**Location:** 102 Civic Drive, Hercules, CA

**Number of Units:** 52

**Year Completed:** 2006

**Total Development Cost:** \$13,000,000

*Samara Terrace* is a 52-unit senior apartment community in Hercules, CA. Contained in a three-story elevator-served building, the 52-unit development provides one-bedroom homes for very low income seniors aged 62 years of age or older with incomes at or below 60% of the area median income. The location of this development is directly across the street from the City's Senior Center and City Hall, and immediately adjacent to the City's state-of-the-art library, currently completing construction. Atop the Civic Center area, seniors are also able to walk to local bus lines and shopping areas in Hercules.

Each of the senior apartment units have one bedroom, a kitchen, a living area and full bathroom, designed for independent living. The entrances to individual apartments are along interior corridors with each unit entry featuring a corridor alcove, providing individual resident identity at each entry door. An elevator provides access to the upper floors.

Common area amenities include a community room with kitchen, library/reading area with fireplace, crafts room, computer lab and exercise room for use by the residents. Other common area spaces include offices for onsite management and supportive services staff, as well as lounge areas on the first and second floors. In addition, the building incorporates a multipurpose room exclusively for use by the City of Hercules.

The building's main entry is fronted by a wooden trellised concourse providing a landscaped vehicle drop-off and protected waiting area. Additional landscaping in the building's "backyard" provides courtyards and ample outdoor space for group activities, walkways, gardening and other recreational activities.

**Developer:** Eden Housing, Inc.

**Architect:** Pyatok Architects

**General Contractor:** Barry Swenson Builder



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# West Rivertown Apartments Antioch, CA



## Project Summary

**Project Name:** West Rivertown Apartments

**Project Type:** Affordable Family Rentals

**Location:** 811 West 4<sup>th</sup> Street, Antioch, CA

**Number of Units:** 57

**Year Completed:** 2003

**Total Development Cost:** \$14,000,000

*West Rivertown Apartments* is a 57-unit affordable rental development for families, located in downtown Antioch. The development represents the first implementation phase of the City's West Rivertown Urban Design Concept Plan, facilitated by Eden Housing and adopted by the City in 2000. Located on three contiguous sites, the apartments consist of a mix of one to four bedroom flats and townhouses contained in two and three story buildings. Units are affordable to families with incomes at the 30% to 60% of area median income levels. The developments includes a 2,400 square foot daycare center and a 1,600 square foot community building, which houses a computer learning center, management offices, and an 800 square foot meeting room. Additionally, streetscape improvements consistent with the Concept Plan include traffic-slowng bulb outs, brick-banded crosswalks, and pedestrian scaled streetlights. Other site features include three laundry facilities, play areas for children, and a central picnic area. Due to its location in the downtown area, West Rivertown Apartments is easily accessible to numerous amenities and public transit.

**Developer:** Eden Housing, Inc.

**Architect:** Van Meter Williams Pollack

**General Contractor:** James E. Roberts – Obayashi Corp.



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## **Section A3 Community Outreach Experience**

### **Overview of Eden Housing's Community Involvement Philosophy**

Eden Housing has a long track record of working in partnership with public agencies and private groups to build affordable housing developments that expand affordable multifamily housing opportunities for extremely low-income families, while enhancing the fabric of the neighborhood. Eden has extensive experience in developing affordable properties in the context of a larger community, both new and existing, and particularly in the context of specific guidelines or goals established for the broader neighborhood. This ability to develop affordable housing within a set of explicit goals speaks to our ability to be sensitive to existing conditions and successfully work with localities in achieving objectives.

As a developer of housing dedicated to serving lower income families, seniors and persons with disabilities, Eden's experience providing information, outreach, and opportunities for participation helps us secure the necessary support of the community. Eden's developments begin with targeted outreach, always including a series of community meetings and sometimes with more comprehensive community planning efforts. Once developments have been completed and are in operation, Eden's property management team and resident services staff work together to build and enhance community relationships and work with community service providers to maintain high-quality, service-enhanced living environments.

In addition to regularly-held community meetings, Eden has organized tours for public officials and community members to view Eden properties, providing a real world sense of what density means and allowing participants to see how attractive affordable housing can be. Such a tour helped to turn the sentiment of one neighbor in Antioch that had earlier expressed concern about West Rivertown Apartments. Indeed, this neighbor appeared at many of the project's subsequent public hearings and became one of our most ardent supporters. Another important tool to secure community support is the design charette process, which provides the opportunity for neighbors and other stakeholders to shape a project's siting and design.

### **Community Outreach Plan for the Roget Park Senior Housing Project**

Eden would follow this general outreach philosophy for the Roget Park project. Eden will identify certain key community stakeholders that will be integral to our outreach plan, including any neighboring property owners and residents. We plan to work closely with City staff to identify important stakeholders and reach out to them to generate feedback and support for our developments. Our first outreach would most likely be to the immediate neighbors. We would then reach out further to stakeholders in the surrounding community, with several public meetings to present our development concept, gather feedback, and respond to stakeholders' comments.

Eden's focus is always upon engaging the community and responding to their needs and concerns to the best of our ability. We believe that this results in a better development and creates a positive dialogue with the community which benefits the project and the City in the long term. Earlier this year, during entitlements for a 64-unit family project in Healdsburg, we



held several meetings with the Homeowners Association of the luxury condos next door to answer their questions and receive feedback. At the final Planning Commission hearing, for a project that did not require City Council approval, the Association and the Commission thanked Eden for our responsiveness, open communication, and willingness to make changes to the site plan and design to address their needs. This commendation reached the City Council, which highlighted our responsiveness to our neighbors in the recent proclamation honoring our 40<sup>th</sup> Anniversary.

### **Examples of Eden's Community Process on Previous Projects**

#### **A. Lafayette Senior Housing – Lafayette, CA (in development)**

##### ***Methods of Community Outreach***

Eden Housing has worked extensively with the 6-person City of Lafayette's Senior Task Force comprised of City Council, Planning Commission, and community members. The Task Force was responsible for identifying the need for affordable senior housing in the downtown corridor. In January 2007, Eden was chosen as the developer, along with the architectural design firm of Van Meter Williams Pollack, in response to the City of Lafayette's Request for Qualifications. Per the City's request, Eden was to identify a site appropriate for this use. In December of 2008, Eden acquired a .80 acre vacant parcel on Mt. Diablo Boulevard in downtown Lafayette that was previously used as a used car lot.

Eden has been working in close collaboration with the Senior Task Force ever since being chosen as the non- profit developer. Throughout the project planning process, the Task Force has been informed of all the developments and issues that have arisen. The Task Force was in turn a liaison between the City of Lafayette, the community stakeholders, and Eden Housing. Notably, the Task Force recommended and coordinated a series of workshops that included City Council, Planning Commission, and Design Review members. These meeting were extremely valuable to Eden Housing as they allowed for early input on design and planning. The collaboration between Eden and the Senior Housing Task Force was so effective that at the time Eden formally applied for land use entitlements, the City of Lafayette was able to easily approve the project.

The overall community was in support of the project from the very early stages of the project. Eden kept the community surrounding the property informed on the project by publishing mailings and notices prior to public meetings such as Design Review, Planning Commission, and City Council Hearings.

#### **B. Sara Conner Court- Hayward, CA (completed 2006)**

##### ***Methods of Community Outreach***

The site selection and design of Sara Conner Court responded to long-standing desires of the Fairway Park Neighborhood Association as expressed through the Fairway Park Neighborhood Task Force's work on the Fairway Park Neighborhood Plan. The Sara Conner property was occupied for many years by a run-down milk and juice processing plant and a long abandoned gas station that the neighbors were eager to see replaced with an attractive new development. Eden's new affordable housing development on this site has pleased both the City of Hayward and the neighborhood. This highly visible property, located on Mission Boulevard at the

southeastern entrance to the City, was redeveloped with housing so attractive that many passersby think it is a condominium property. The development included the installation a traffic signal at the intersection of Mission Boulevard and Lafayette Avenue that the Fairway Park Neighborhood Association had been requesting for over ten years.

The City considered vacating all or a part of Lafayette Avenue in connection with the development and two site plan options, one with partial and one with total vacation, were presented to a community meeting held at Treeview Elementary in February 2004. Neighbors wanted the street narrowed to calm traffic that speeded through from the state highway Mission Boulevard to the neighborhood streets. While neighbors would have liked it if public open space could be created through the total street vacation, they were more concerned with the challenge of finding another way out of their neighborhood if Lafayette access was closed off. As a result, Eden and the City decided to partially vacate the street. A revised site plan was presented at a March 2004 community meeting, which respected the neighborhood's partial street vacation preference and addressed other neighborhood comments by providing additional parking on site, installing stop signs on Lafayette, and not allowing parking on Lafayette since the street had a history of attracting nuisance vehicles.

When Eden had to send a public notice notifying the neighborhood about a necessary environmental clean-up and inviting comments, the project manager called the president of the Fairway Park Neighborhood Association and the manager of the Fairway Park Shopping Center to explain the notice and the nature of the cleanup. Based on these proactive phone calls and the positive interaction the community had with Eden during the design phase, there were no comments on the clean-up plan.

#### C. Downtown River Apartments - Petaluma, CA (completed 2005)

##### *Methods of Community Outreach*

Eden Housing staff served on the advisory committee that led the extended community process which resulted in the Central Petaluma Specific Plan. This revitalization program calls for an exciting and diverse mix of new commercial and residential uses. Downtown River Apartments incorporates many of the revitalization and urban design goals of the Specific Plan, including incorporating ground floor commercial space and a public pedestrian walkway along the Petaluma River.

Eden met on numerous occasions with the City's Site Plan and Architectural Review Committee (SPARC). In response to several great suggestions from SPARC, Eden modified the design by setting the building back an additional six feet to create a wider sidewalk and adding a rear balcony overlooking the children's play area.

Eden reached out to local residents and architects who participated in design charettes for Basin Street, a new commercial development also located in the Specific Plan area, to request feedback as we designed our building. Eden requested specific feedback on the property's relationship to the street, particularly as it related to the accessibility of the retail storefronts, and identified constraining factors like the flood zone, zero net fill and setback requirements. Eden also sought

feedback on the exterior building treatment, which was designed to reflect the community's history.

D. West Rivertown, Antioch CA (completed 2003)

*Methods of Community Outreach*

Eden Housing and Van Meter Williams Pollack, Eden's architect, assisted the City of Antioch Community Development Department in developing a Conceptual Master Plan for the West Rivertown Area. Through a six-month process, including three community meetings, the community developed a framework for guiding development opportunities in the future. Property owners, residents, and businesses within the planning area were invited to participate in the process. Special invitations were extended to the Rivertown Business Association, Antioch Chamber of Commerce, and city representatives from the City Manager and City Attorney offices, and the Public Works and Engineering, Community Development, Neighborhood Improvement, Economic Development, Building, and Police Departments. The community meetings were hosted at the Police Department.

The first meeting was held in November 1999. Community members were invited to identify opportunities and challenges and to share ideas for West Rivertown development. The second meeting was held in January 2000 and proposed development scenarios, proposed development prototypes, and the streetscape master plan were reviewed. The Conceptual Master Plan findings and summary were presented to a third meeting and subsequently adopted by the Antioch City Council in March 2000.

At the conclusion of the master planning process, Eden Housing and Van Meter Williams Pollack, held a community meeting to share plans to move forward with the first phase of the Plan, which was the development of West Rivertown, new construction of multifamily rental housing on the City-owned parcels located at the corner of 4th and J Streets.

## **Section B1**

### **Eden Housing Management Inc.**

Because Eden Housing maintains permanent ownership of the rental properties it develops, it is committed to assuring that they are well managed. Eden's property management and resident services subsidiaries are key to maintaining the projects as well-managed and healthy communities.

Eden Housing, Inc's management subsidiary, – Eden Housing Management, Inc. (EHMI) was established in 1984 and has provided professional, quality management for Eden's properties since then. EHMI currently manages more than 3,000 units of rental housing at 55 properties for Eden Housing and third party owners with the goal of ensuring that properties remain an asset to and are an integral part of the communities in which they are built.

EHRSI, Eden Housing Resident Services, Inc., was formed in 1995 as the Resident Services Department of EHMI and was incorporated as a separate affiliated agency of Eden Housing in 1998. EHRSI's two divisions, Family Services and the Senior and Disabled Services Division, provide services to over 3,000 low-income individuals.

Together, the companies bring a combined package of experience and expertise which covers the spectrum of activities involved in developing, owning, managing and servicing a high quality housing development. This combined effort assures the quality design and construction of the project is preserved through the careful long-term maintenance of the property and ongoing care and service to residents.

#### **MARKETING AND LEASING EXPERIENCE**

One-fourth of Eden's development activity has been senior housing with more than 1,254 units of senior housing developed since Eden's inception. Consequently, Eden has extensive experience marketing, leasing, and operating senior apartments. At Eden, marketing senior communities begins in the design phase of the project where Eden implements its stringent design standards to include amenities and floor plans that facilitate and promote independent living for seniors that will enable them to age in place. Likewise, a long history of collaborative work with community senior services assists Eden in implementing services in its apartment homes that meet the needs of seniors who want to stay in their local communities.

All units managed by EHMI are marketed in accordance with affirmative marketing requirements and Fair Housing laws. Prospective renters are recruited through a marketing strategy designed to ensure equal access to appropriate-sized units for all persons in any category protected by feral, state or local laws governing discrimination. In addition to Eden's decades of experience in these areas, EHMI also uses industry leading technology to help track its obligations at all spectrums of affordability

Because of the variety of financing mechanisms used by Eden to develop properties, EHMI has extensive experience in the marketing and management of units governed by a variety of, and often layered, regulatory requirements. Due to pent up demand for affordable senior housing,

EHMI has created a transparent process for resident selection and successfully communicates the procedures ahead of time so that those with the best chance of meeting the income qualifying criteria are well represented in the applicant pool. EHMI also has experience integrating additional selection criteria required by local jurisdictions such as preferences for households who live and/or work in the local jurisdiction, or who are non-smokers. To meet the challenge of gathering a large enough applicant pool that will qualify across all the complex criteria is challenging and so EHMI usually begins marketing six months prior to occupancy and works with local community groups to outreach to the targeted population. Outreach is done thorough local senior citizen centers, community recreation facilities, libraries, community newspapers, social service agencies, church and religious groups, and other appropriate contacts. EHMI's most recent senior development was 100% leased within one month of being ready for occupancy and 60 households moved in with three weeks of project completion. EHMI is currently leasing a senior project in Manteca and has received 120 applications for 40 units.

### **MANAGING AND OPERATING EXPERIENCE**

The effectiveness of our property management function can be gauged by Eden's portfolio-wide very low vacancy rate of less than 1.5%. EHMI successfully markets units to tenants that are eligible, that can be recertified year after year as required by most of our funding sources, and that when they move out are quickly replaced by other applicants on well-managed waiting lists. The vacancy rate for our senior projects is even lower portfolio-wide.

Eden takes a holistic approach to property management, focusing on four key aspects of property management:

- **Human:** Emphasizing the importance of customer service and creating communities greatly enhances the living environments that Eden builds. Our management and services staff work as a team to provide management and resident services that go beyond bricks and mortar to promote aging in place for our seniors, provide economic opportunity for our families, and facilitate Eden's goal of building communities.
- **Physical:** Investing in high quality design and materials at the outset and having a strong ongoing maintenance program as well as strategic capital plan for the properties.
- **Financial:** Structuring the financing of the project to assure that it is adequately funded to provide a high quality ongoing management program and sufficient reserves to assure long-term capital needs can be met.
- **Policy/Compliance:** Assuring that our properties comply with the myriad of public funding restrictions that are placed on them.

Eden's pride of ownership and its high quality management are apparent in the curb appeal of its projects. This gives residents pride in where they live and is a major factor in Eden's low vacancy rates. Furthermore many of the communities where Eden has built multi-family communities have invited us back to develop new affordable homes for seniors and families. Eden believes strongly that our properties serve as long-term assets for these partner communities, and is very dedicated to effective property management as part of maintaining these assets for Eden and for our partner communities.

## **Section B2 Eden Housing Resident Services Inc.**

Eden Housing Resident Services, Inc. (EHRSI) provides a wide range of programming across Eden's portfolio of senior properties. Using Eden staff and local partners, we work to identify service amenities that facilitate a higher quality of life and economic advancement for our residents. The primary goal of Eden's senior resident services is to allow our seniors to 'age in place.' We aim to provide our seniors with the daily support that they need as well as access to valuable resources within their communities. Eden currently provides services at 11 of its 14 senior properties. In our current pipeline we will be adding an additional six sites, totaling 348 senior units. As a result of our four properties, including two senior communities, in San Joaquin County Eden will be well-situated to provide services to the residents of Roget Park Senior Housing in Lodi.

Services programming at our senior sites includes:

- Community groups – exercise/movement/nutrition classes, budget management/fraud prevention/financial education, personal security and safety preparedness, local transportation options (Paratransit, taxi services/vouchers, bus schedules/stops/accessibility etc.)
- Individual and/or group support services addressing health/nutrition/wellness issues – provided onsite or in the nearby community – flu shots (available to residents annually), wellness clinics (hearing, podiatry, blood pressure, glucose screening, etc.), food bag distribution, etc. In addition to scheduled groups/services, educational/informational pamphlets will be made available to residents.
- Informal self-help, peer support groups (walking, arts, cooking, reading groups etc.).
- Maintain updated resource notebook for access by residents and property staff. Notebook will include an updated list of community resources/classes available to seniors (adult school activities, park and rec. activities, church groups etc.) as well as other relevant community resources (health, legal, shopping, financial, transportation, volunteer opportunities, cultural events, social services etc.).
- Monthly newsletter
- Community groups (self-enrichment/personal growth) – arts and crafts, ESL, music, culturally based activities, movies, social events, CHAT groups, Tea N Talk etc.

Services programming available to all Eden residents includes:

- *Howard T. Collins Memorial Scholarship Program* – Deserving Eden Housing residents seeking an education and job training skills have a unique opportunity to apply for financial assistance through Eden's Howard T. Collins Memorial Scholarship Fund. The Scholarship Fund, which commemorates a longtime Eden board member who was especially interested in education, was started in 1993 by Eden's board of directors as a means to recognize the potential of Eden residents who are striving to improve their lives. Each year Eden gives between 15 and 35 residents some monetary assistance in

meeting their goals. The criteria used to select awardees include academic qualifications, need, community service, and scholastic and personal references.

In addition to the work of our on-site Services' staff, we are proactive in collaborating with local organizations. By working together we are able to provide more programs that meet the unique needs of our resident populations. Not only has this proven to be a cost-effective way to support our residents, but it also allows us to better address the diversity of our residents. Rather than re-create a program, we are able to develop beneficial working relationships with local programs and focus our attention where there are gaps in services.

**Section C  
The Board of Directors**

***Timothy Reilly***, President

Vice President, Fremont Business Banking Group, Union Bank of California

***Affiliations***

PAC Board Member, Chamber of Commerce, Fremont  
Past Chairman, Chamber of Commerce, Fremont  
Co-founding board member and CFO of private middle- school and high school - Alston  
Former District Chair, Boy Scouts of America  
Co-Founder Board Member, Redwood Lodge  
Advisory Board Member, Tri-City Homeless Coalition,  
Former Board Member, Sisters of the Holy Family  
Former Advisory Board Member, World Institute on Disability  
Former Advisory Board Member, Women in Technology Foundation

***John Gaffney***, Vice-President

Senior Manager, Marketing Programs, CISCO Systems

***Affiliations***

Formerly a Senior Manager of Business Development, a Chief Financial Officer and  
Project Director in Bay Area technology industry  
Community Fellow, Director Business Development CISCO Systems--pioneered  
program to aid nonprofits with technology adoption  
Graduate of Stanford University (with honors) and Harvard School of Business  
Administration

***Calvin Whitaker***, Secretary

Administrative Aide, Development Services Department, City of San Leandro

***Affiliations***

American Planning Association - Planning & Black Community Division

***William Vandenburg***, Treasurer, Founding Director

Retired Professor of Physical Education

Former Executive Dean, CSUH

***Affiliations***

Vice-Chairman, Alameda County Leadership Board-United Way, Alameda County  
Chairman, Community Building Committee-United Way, Alameda County  
North American Society of Sport History

***Jesus Armas***, Director

Consultant

Former City Manager of Hayward



***Sheila Burks***, Director

Director, Fannie Mae Bay Area Community Business Center (BACBC)  
Former Senior Deputy Director, Fannie Mae Bay Area Partnership Office  
Recipient of a Fulbright Teaching Assistantship in Paris, France

***Henry (Hank) Deadrich***, Director

Real Estate Broker

***Affiliations***

Past President, San Leandro Chamber of Commerce, 1988  
Past President, San Leandro Scholarship Foundation, 1971-1986  
Member of the Assessment Appeals Board for Alameda County, 1971-1975  
Member of the Southern Alameda County Association of Realtors since 1962  
Licensed Real Estate Agent, 1962

***Kathleen Hamm***, Director

Economic Consultant

***Affiliations***

National Development Council, 1994  
Published 14 Reports and Studies on Economic Development between 1970 and 1991

***Nick Randall***, Director

Exec. VP, DynEd International, Inc.  
President, DynEd Asia, Ltd

***Affiliations***

Vice Mayor, Hayward City Councilman 1976-1980, 1990-1994  
Vice Chair, Alameda Co. Solid Waste Management Board  
Chairman, Hayward Unified School District Surplus Site Utilization Committee  
Member, National Committee Against Discrimination in Housing  
President, Harder-Tennyson Community Organization  
Member, Hayward Human Relations Commission

***Tim Silva***, Director

SVP Regional Community Development Director, Wells Fargo Bank  
Greater Bay Region  
Adjunct Professor, College of Business, Cal State East Bay

***Affiliations***

Trustee/Past Chair, Cal State University East Bay Educational Foundation  
Advisory Board Member, Los Medanos Community College  
Board Member, Peralta Community College District  
Chair, California State University East Bay College of Business Advisory Board  
Board Member, Economic Development Alliance for Business – Alameda & Contra Costa County

**Pauline Weaver**, Director  
Assistant Public Defender, Alameda County

**Affiliations**

Standing Committee on Gavel Awards, American Bar Association  
State Bar California, Board of Governors  
Past President, National Conf. of Women's Bar Associations  
Past President, California Women Lawyers

**Ilene Weinreb**, Director

**Affiliations**

Eden I & R, President  
Chair, Board of Satellite Senior Housing  
Board member, Merritt Community Capital Corp.  
Board member, N. California Community Loan Fund  
Community Volunteer, SRO Restoration Project Earthquake Housing Committee  
Bay Area Community Services (BACS)  
BACS on Autism  
BACS Mental Health Committee  
Board member, Alameda County Medical Center

**Keith Land**, Director Emeritus

Community Development Officer, Farmers & Merchants Bank

**Affiliations**

Former City Council Member, City of Lodi; Mayor in 1999  
Director, Lodi Redevelopment Agency Board  
Commissioner, San Joaquin County Parks & Recreation  
Commissioner/Chair, San Joaquin Co. Housing Authority  
Commissioner/Vice-Chair, San Joaquin CO LACCO  
Board Member, Council, Fed. Reserve Bank of San Francisco-  
Board Member, Consumer Counseling of Mid-Counties  
Director, American Red Cross Board  
Board Treasurer, Community Partnership for Families/San Joaquin County  
Boards: Boys & Girls Club, Kiwanis Club

**Sal Tedesco**, Director Emeritus

Retired HUD Official

**Affiliations**

Former Chairperson, Municipal Advisory Council of Castro Valley  
Planning & Zoning Committee, Castro Valley Changer of Commerce  
Member, Alameda County Advisory Commission on Aging

## **Section C Eden Housing Development Team**

***Executive Director  
Linda Mandolini***

### ***Professional Career***

Linda Mandolini has served Eden Housing in several capacities, first as a project developer, next as the Director of Real Estate Development, and since 2001, as Executive Director. She is accountable to an active volunteer board of directors. Ms. Mandolini oversees all the affordable housing production, resident support services and property management components of the organization, and their combined annual operating budget of more than \$4 million. She is ultimately responsible for Eden's housing development pipeline which consists of up to 15 projects at any given time, a growing property management portfolio presently consisting of more than 5,000 rental housing units and a staff of 140 people.

Prior to rejoining Eden Housing as the Director of Development, Ms. Mandolini was the Transportation and Land use Director at the Silicon Valley Manufacturing Group based in San Jose, CA. Before joining Eden Housing, Ms. Mandolini worked as a lender and developer of affordable housing with several entities in Boston, Massachusetts, including Director of Real Estate Development for the Codman Square Neighborhood Development Corporation, and manager of the Real Estate Portfolio for the Massachusetts Community Development Finance Corporation.

Ms. Mandolini received her Bachelor of Arts degree at Wheaton College in Massachusetts and was Magna Cum Laude and Phi Beta Kappa. She earned a Master of Business Administration at Boston University. She is Vice-Chair of the Board of Directors of the Housing Trust of Santa Clara County, on the steering committee for the Contra Costa County Housing Trust, and is Vice-President of the Nonprofit Housing Association of Northern California. Ms. Mandolini is a former member of the Menlo Park Housing Commission (appointed) and Town of Scituate, MA Planning Commission (elected.)

### ***Education***

*Boston University, Boston, Massachusetts*

*Master of Business Administration*

*Wheaton College, Norton, MA*

*Bachelor of Arts, Political Science and Urban Studies, Magna Cum Laude, Phi Beta Kappa*

### ***Professional Affiliations***

*President, Nonprofit Housing Association of Northern California*

*Member, Silicon Valley Housing Leadership Council*

*Vice Chair, Housing Trust of Santa Clara County*

*Steering Committee, Contra Costa County Housing Trust*

***Chief Financial Officer  
Terese McNamee***

***Professional Career***

Terese McNamee joined Eden Housing in December as Chief Financial Officer, heading accounting, finance, asset management, information technology and human resource operations for Eden, its affiliates and ownership entities. Ms McNamee manages the financial affairs of Eden and its affiliates, to assure the financial compliance and integrity of Eden's operations and properties.

Before joining Eden, Ms. McNamee was the Vice President - Asset Management & Strategic Planning at Mid-Peninsula Housing Coalition, overseeing the asset management, finance and accounting functions, managing the relationships with investors and lenders, setting long term strategy for properties including financing and rehabilitation, and overseeing corporate budgets and financial performance.

Prior to her position with Mid-Peninsula Housing Coalition, Ms. McNamee worked for Westwood Company in San Jose as a Property Manager/ Asset Manager, and also worked as a Development Project Manager for Metca Properties, Las Vegas.

***Education***

*San Jose State University  
Master of Business Administration*

*Santa Clara University  
Bachelor of Science, Marketing*

***Chief Operating Officer  
Jan Peters***

***Professional Career***

Ms. Peters joined Eden in October of 2006 as Director of Property Operations, and was promoted to Chief Operating Officer in January of 2009, after serving for three years as President of WNC Management, Inc. in Irvine, and four years as Vice-President and Director of Property Management for Design Center Housing Services, Inc. in Los Angeles. She has brought more than twenty years of experience in property management, Human Services and Social Work to Eden Housing Management, Inc. Jan is a former Director of AHMA, an instructor in Advanced Property Management and holds several property management certifications. She oversees EHMI's affordable rental housing portfolio of more than 3,000 units and supervises a team of property supervisors and compliance staff, all of whom are dedicated to the highest quality of service in property management. She also oversees the resident services, human resources and administration departments.

***Education/Certifications/Associations***

*Rutgers, The State University of New Jersey*

*M.S.W.*

*Antioch University, Philadelphia, PA*

*M. Ed*

*AHMA, former Director*

*Housing Credit Certified Professional (HCCP)*

*National Compliance Professional-Executive (NCP-e)*

*Licensed Real Estate Broker-California*

*Instructor, Advanced Property Management*

*Certified Occupancy Specialist*

***Director of Resident Services  
Jennifer Reed***

***Professional Career***

Jennifer Reed oversees services and program development and provision for residents of Eden Housing's rental Housing portfolio. Eden's resident support services are provided through a nonprofit resident services affiliate, Eden Housing Resident Services, Inc. (EHRSI). In addition to her direct responsibility for the design and implementation of EHRSI's after-school and summer programs for youth and families, she also works closely with Property Managers who do not have the benefit of a Services Coordinator to bring valuable programs to their sites. She directly supervises EHRSI's staff of on-site Service Coordinators at family properties as well as at our senior and special needs facilities, and also supervises the Manager of Computer-Assisted Education.

Ms Reed has sixteen years of experience working with youth and families in the nonprofit sector. In addition to her BS in Psychology and M.A. in Applied Psychology, she graduated in 2006 from the year-long in-depth MAP Northwest Leadership Training program sponsored by LISC for affordable housing professionals. Ms Reed taught English in Mexico for 5 years, and is fluent in Spanish.

***Education***

*Golden Gate University, San Francisco, CA*

*M.A. Applied Psychology w/ emphasis in Organizational Development and Behavior.*

*Union College, Schenectady, NY*

*B.S. Psychology*

*LISC/MAP Northwest Leadership Training, 2005-06*

***Director of Real Estate Development  
Andrea Papanastassiou***

***Professional Career***

Andrea Papanastassiou recently joined Eden Housing as Director of Real Estate Development. She directs Eden's development activities and supervises the 8-member development team, overseeing a pipeline of over 1,700 units in up to twenty projects. Under her leadership, development carries out all phases of housing production from feasibility studies through acquisition to project completion.

Before joining Eden, Ms. Papanastassiou held a host of real estate development positions at Mid-Peninsula Housing Coalition, most recently serving as the Development Manager with oversight responsibility for day-to-day operations for the development department. During her nine years with Mid-Peninsula, she developed over 600 affordable apartments for families and seniors in San Mateo, Santa Clara, Santa Cruz, and Napa counties, and supervised a development pipeline of 1,300 apartments and homes in seven greater Bay Area counties. Her projects have won design awards from Sustainable San Mateo County, Pacific Coast Builders Conference, and Builder Magazine.

***Education***

*UCLA Graduate School of Public Policy and Social Research  
Master of Arts, Urban Planning*

*Brown University*

*Dual Bachelor of Arts with Honors, Environmental Studies and Urban Studies*

***Professional Affiliations***

*Vice President, Housing Leadership Council of San Mateo County*

*Task Force Co-Chair, HOPE: 10-Year Plan to End Homelessness in San Mateo County*

*Member, East Bay Housing Organizations*

***Associate Director of Development  
Kathryn (Kathy) Schmidt***

***Professional Career***

In 2000, Kathy Schmidt brought to Eden extensive experience in the fields of housing and planning. She is a licensed architect and has a broad background in planning, design, business and community participation. Before joining Eden Housing, Ms. Schmidt had a private architectural practice focusing on residential design and consulting. She has written design guidelines for residential developments and consulted in communications, market research and workplace research.

Ms. Schmidt was an Associate at Spencer Associates, Architects and Planners, both before and after attending business school. She managed a wide range of public and private projects including residential projects and environmental centers and museums. She served as business manager for the firm as well. Ms. Schmidt also wrote and published The Home Remodeling Management Book, a guidebook to help homeowners plan, organize and maintain control of the remodeling process. Since joining Eden, she has completed two projects in Manteca - Union Court Apartments, a 68-unit rehab development for families, and Almond Terrace Senior Apartments, a new 50-unit senior project. In 2005, she completed a new 54-unit senior development in Dublin, Eden's first development in that city. Ms. Schmidt is currently responsible for a new infill development in Palo Alto that will involve the redevelopment of an entire block on Alma Street near the downtown Caltrain station into a mixed-use development that includes 22,000 square feet of commercial retail and office space and 101 units of affordable family and senior housing. She is also leading the redevelopment of the 150-unit Arroyo Vista Public Housing development in Dublin into 180 units of affordable family and senior housing and a childcare center, and 200 units of market rate for-sale homes to be developed by Eden's partner, Citation Homes. Ms. Schmidt has been a California licensed architect for 25 years and served on the Palo Alto Planning Commission for 11 years.

***Education***

*Stanford University, Stanford, CA  
Master of Business Administration  
Master of Architecture  
Bachelor of Arts, Architecture*

***Professional Affiliations***

*County of Santa Clara Planning Commission, Commissioner  
American Institute of Architects, Santa Clara Valley Chapter  
Redwood City Child Development Program, Board Member  
Baer Foundation, Board Member  
Gamble Garden, Membership Committee*



***Associate Director of Development  
Katherine (Katie) Lamont.***

***Professional Career***

Katie Lamont moved to the Bay Area from Los Angeles in 2003. Ms. Lamont gained experience at the Los Angeles Community Design Center, where she managed Las Brisas Community Housing, a residential rehabilitation and neighborhood revitalization project that won a 2006 CRA Award of Excellence, among other projects. She was also a Summer Associate for the Florida Community Loan Fund and an intern with the Los Angeles Housing Department, where she prepared housing policy briefings and worked with a citywide team to identify and map problem properties. She spent three years with Housing Opportunities Project for Excellence (HOPE) in Florida, first as a Program Coordinator, then as a satellite office manager with diverse responsibilities that included client intake, counseling and referrals, research, writing, working on HUD fair housing plans, investigating fair housing complaints and training volunteers.

In 2005, Ms. Lamont completed Wisteria Place, a 40-unit senior development in Union City. There, she also coordinated Eden's first public art project, a requirement of the City. In 2006, she completed a 57-unit family housing development, Sara Conner Court, which was one of the first Green Point Rated developments. She just completed Walker Landing, 78 units of family rental housing on a former pickle plant, as part of an inclusionary partnership with two homebuilders in Hayward. Ms. Lamont is presently developing a large project of 180 units (80 rental, 100 homeownership) with challenging CEQA issues in collaboration with a market developer on former agricultural land (family nurseries) in Richmond. She is also managing the development of Fremont Senior Housing, which will include a 9,000 square foot senior health facility, and the 125-unit inclusionary component of a mixed-use master development at the South Hayward BART station.

***Education***

*UCLA Graduate School of Public Policy and Social Research,*

*Master of Arts*

*Brown University*

*Bachelor of Arts*

*LISC-Housing Development Training Institute*

*UCLA-Mediation Training*

*National Foundation for Consumer Credit-Housing Counseling Training Program*

***Senior Project Developer  
Woody Karp***

***Professional Career***

Woody Karp joined the Eden Housing Development team in 2001. Mr. Karp is a member of the California Bar and prior to coming to Eden, practiced law for 18 years with an emphasis in real estate and coverage litigation. Since joining Eden, Woody completed a 57-unit family tax credit development and a 40-unit family tax credit development in Antioch, a 132-unit family tax credit development in Hercules; a 30-unit new family tax credit development in Richmond, secured the financing and entitlements for an 80-unit senior housing tax-credit development in Brentwood, and recently completed a mixed-use 60-unit senior housing tax-credit and commercial office development in Hayward. He is presently working on a 46-unit senior development in Lafayette and a 55-unit senior development in Orinda.

***Education***

*Golden Gate University, San Francisco, CA*

*School of Law, Juris Doctorate*

*University of Wisconsin, Madison, WI*

*Bachelor of Arts: Sociology and Behavioral Sciences and Law*

*LISC-Housing Development Training Institute*

***Professional Associations & Affiliations***

*American Bar Association*

*State Bar of California- Real Estate Section*

*Alameda County Bar Association*

*Urban Ecology*

***Project Developer  
Monica Garcia***

***Professional Career***

Ms. Garcia joined the Eden Housing Development Team in 2005. Prior to coming to Eden, Ms. Garcia gained extensive affordable housing development experience in the Bay Area, completing projects in San Francisco, Oakland, Berkeley, and East Palo Alto. Ms. Garcia has also worked in the affordable housing development industry in Colorado on a project in Denver and a project in rural Colorado. Before her career in affordable housing, Ms. Garcia worked for a de-construction and salvage company, specializing in recycling building materials.

Since joining Eden, Ms. Garcia completed a 30-unit new development in Richmond, an 80-unit senior housing tax-credit development in Brentwood, and a 15-unit special needs development in San Jose. She is currently managing the development of a 64-unit family development in Healdsburg and a 26-unit senior development in Hayward.

***Education***

*University of California, Berkeley*

*Bachelor of Arts*

***Professional Associations & Affiliations***

*East Bay Housing Organizations, Member*

***Project Developer  
Faye Blackman.***

***Professional Career***

Mrs. Blackman joined Eden Housing Development in 2007. Mrs. Blackman has been developing housing for five years throughout the Bay Area. Previously before coming to Eden, she was at AF Evans Development, where she managed a diverse portfolio of 588 market rate and affordable multifamily units in various stages of development. Prior to her development career, Mrs. Blackman worked for Habitat for Humanity in New York City as an AmeriCorps Leader.

Mrs. Blackman is presently working on a proposed 64-unit senior housing opportunity in Novato. She is also managing a 40-unit senior HUD project in Manteca currently under construction.

***Education***

*Cornell University, Ithaca, New York  
Bachelor of Science*

***Professional Affiliations***

*Mrs. Blackman is a member of US Green Building Council and Housing Action Coalition. She is also a LEED Accredited Professional.*

***Project Developer  
Andrea Osgood***

***Professional Career***

Ms. Osgood joined the Eden Housing Development Team in 2008. Prior to coming to Eden, Ms. Osgood gained affordable housing development experience in Los Angeles, working on mixed-use, multi-family projects for the Los Angeles Community Design Center.

Before her career in affordable housing, Ms. Osgood worked as a construction management consultant for Capital Projects of UC Berkeley and was involved in nearly every phase of large rehab and new construction projects – from planning and development through funding and construction. She also gathered experience in construction litigation and public contracting as a lead paralegal in the construction group of the San Francisco law firm, Hanson Bridgett Marcus Vlahos & Rudy.

***Education***

*UCLA Graduate School of Public Policy and Social Research  
Master of Arts, Urban Planning*

*Pomona College*

*Bachelor of Arts with Honors, Psychology*

***Professional Associations & Affiliations***

*Women in Transportation, SF Bay Area Chapter Board Member  
Greenbelt Alliance, Compact Development Team Member*

## **Section C**

### **Awards & Recognitions**

***Eden Housing, Inc.***

- 2007 Eden Housing named one of the Top 50 Affordable Housing Developers in the U.S. by Affordable Housing Finance Magazine
- 2006 California Housing Consortium Hall of Fame - in recognition of Eden Housing's contribution to fostering the creation of affordable housing throughout California
- 2006 City of Hayward Business Environmental Achievement Award
- 2005 Citibank Recognition for 'Making Our Communities Better'
- 2004 Energy Star for Homes-Outstanding Achievement Award - U.S. Environmental Protection Agency
- 1993 Great Western Bank Great Western Housing Award

***Sara Conner Court***, 57 rental units for families in Hayward

- 2007 Finalist, Readers' Choice Awards for Family Housing, Affordable Housing Finance Magazine

***Victoria Green***, 132 rental units for families in Hercules

- 2005 Merit Award, Gold Nugget, Builders Magazine
- 2005 National Assoc. of Local Housing Finance Agencies Award (NALHFA)

***West Rivertown Apartments***, 57 rental units for families in Antioch

- 2004 Property of the Year - Merritt Community Capital Corporation
- 2004 Project of the Year, Merritt Community Capital Corporation: For Revitalizing a Distressed Neighborhood and Providing High Quality Affordable Housing

***Adams Avenue Homes***, 17 affordable homes for first-time homebuyers in Fremont

- 2004 California Redevelopment Association Award of Excellence in Single-Family Residence Category

***Ohlone-Chynoweth Commons***, 194 rental units for families in San Jose

- 2002 Platinum Award-Best Smart Growth: Builder's Magazine
- 2000 Sierra Club Smart Growth Development recognition
- 2000 Federal Home Loan Bank, Community Partnership Award
- 2001-2002 Finalist, Fannie Mae Maxwell Awards of Excellence
- 2002 First Annual Prometheus Prize –  
The Prometheus Foundation & The Housing Trust of Santa Clara County, Honorable Mention

***Fuller Gardens***, 16 rental units for people with developmental disabilities in San Leandro

- 2004 City of San Leandro 2004 Planning and Design Awards New Residential, Multi-Family: Michael Pyatok, Architect

***Community Heritage Senior Apartments*, 52 rental units for seniors in North Richmond**

- 2005 California Redevelopment Agency (CRA) Award of Excellence for Best Mixed-Use Project
- 2003 National Association of Home Builder's Senior Housing Council Gold Award for Affordable Senior Housing
- 2000 Gold Nugget Award of Merit, Mixed Use Design,  
HOME Award – National Association of Local Housing Finance Agencies

***Rosewood Terrace*, 45 rental units for seniors in Union City**

- 2000 Pacific Coast Builder's conference recognition

***Eden Palms Apartments*, 145 rental units for families in San Jose**

- 1998 Merit Award for Excellence in Design, American Institute of Architects, California Council
- 1998 Gold Nugget Award of Merit, In Recognition of Excellence and Value
- 1997 SAMCO Award, Outstanding Project Award
- 1997 Gold Nugget Award of Merit, Best Affordable Housing- Attached

***The San Pablo*, 144 rental units for seniors in Oakland**

- 1997 Fannie Mae Maxwell Awards of Excellence - Honorable Mention  
Program for the Production of Low-Income Housing
- 1996 Tax Credit Excellence Award

***Pacific Grove*, 20 rental units for disabled in Fremont**

- 1997 Gold Nugget Grand Award  
Judges Special Award of Excellence

***B Street Bungalows*, 4 single family homes for first time homebuyers in Hayward**

- 1997 Gold Nugget Grand Award - Best Affordable Detached Community

***Stoney Creek*, 70 rental units for families in Livermore**

- 1995 Gold Nugget Grand Award - Best Apartment Project - 1-3 stories
- 1993 NAHRO Award of Merit, Project Design

***Glen Eden*, 36 rental units for families in Hayward**

- 1994 NAHRO National Award of Excellence

***E.C. Magnolia Court*, 21 rental units for physically disabled in Hayward**

- 1993 NAHRO Awards of Merit, Project Design and Administrative Innovation

***Fuller Lodge*, 26 rental units for developmentally disabled in San Leandro**

- 1992 NAHRO Award of Merit

***Sequoia Manor***, 81 rental units for seniors in Fremont

- 1988 Certificate of National Merit (national recognition program for urban development excellence for City of Fremont projects)

***Redwood Lodge***, 24 rental units for physically disabled in Fremont

- 1988 Certificate of National Merit (national recognition program for urban development excellence for City of Fremont projects)

***Baywood Apartments***, 82 rental units for families in Fremont

- 1988 Certificate of National Merit (national recognition program for urban development excellence for City of Fremont projects)

***Olive Tree Plaza***, 26 rental units for physically disabled in Hayward

- 1987 NAHRO Northern California Chapter, Housing Project Design Award

***Tyrrell Gardens***, 28 owner-built townhomes in Hayward

- 1985 NAHRO Housing Program Innovation Award

***La Solana***, 58 family-owned townhomes in Hayward

- 1982 PG&E Award for energy efficient design and solar water heating
- 1981 State of California Award for innovation in affordable housing in California

***Eden Lodge***, 143 rental units for seniors in San Leandro

- 1981 City of San Leandro Residential Development Design Award for exemplary efforts in the quality and appearance of San Leandro

***Sparks Way Commons***, 45 limited equity co ops for families in Alameda Co.

- 1980 Planning and Women Division of American Planning Association for innovations in developing an affordable housing cooperative designed specifically for single parent families

***Josephine Lum Lodge***, 150 rental units for seniors in Hayward

- 1973 Design Award from the Bay Area American Institute of Architects

**EDEN HOUSING, INC.**

*(A California Nonprofit Public Benefit Corporation)*

**FINANCIAL STATEMENTS**

**AND**

**INDEPENDENT AUDITOR'S REPORT**

**YEAR ENDED JUNE 30, 2008**

EDEN HOUSING, INC.  
(A California Nonprofit Public Benefit Corporation)  
FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2008

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Board of Directors  
Eden Housing, Inc.  
Hayward, California

JAMES M. KRAFT  
S. SCOTT SEAMANDS  
MARK O. BRITTAIN  
ALEXIS H. WONG  
CHARLOTTE SIEW-KUN TAY  

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CATHY L. HWANG  
RITA B. DELA CRUZ  
STANLEY WOO

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statement of financial position of Eden Housing, Inc., a California nonprofit public benefit corporation, as of June 30, 2008 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Eden Housing, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of Eden Housing, Inc.'s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Eden Housing, Inc. as of June 30, 2008, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The financial statements of Eden Housing, Inc. have been prepared without combining the financial statements of related entities under common control. Combined financial statements will also be issued and those statements are the general-purpose financial statements of the primary reporting entity.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2009 on our consideration of Eden Housing, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information on pages 22 and 23, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Lindquist, von Husen and Joyce LLP*

January 16, 2009

EDEN HOUSING, INC.  
(A California Nonprofit Public Benefit Corporation)  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2008

ASSETS

Current assets:	
Cash and cash equivalents	\$ 2,972,272
Grants receivables	50,000
Inclusionary housing fee receivable (Note 3)	1,300,000
Related-party receivables, net – current portion (Note 5)	6,663,989
Prepaid expenses and other receivables	<u>127,408</u>
Total current assets	11,113,669
Investments (Note 4)	921,268
Related-party receivables, net – net of current portion (Note 5)	10,192,260
Notes receivable (Note 7)	14,677,137
Tenant security deposits	12,662
Cash – restricted	317,141
Investments in partnerships and other companies (Note 6)	1,515,285
Development in progress (Note 8)	4,929,535
Property and equipment – net (Note 9)	6,114,560
Deferred costs – net	<u>5,157</u>
Total assets	<u><u>\$ 49,798,674</u></u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable and accrued expenses	\$ 673,287
Line of credit (Note 10)	1,343,096
Related-party payable – current portion (Note 5)	917,655
Interest payable – current portion (Note 11)	12,119
Notes payable – current portion (Note 11)	<u>3,769,550</u>
Total current liabilities	6,715,707
Related-party payable – net of current portion (Note 5)	1,009,818
Deferred revenue	92,928
Tenant security deposits	7,482
Interest payable – net of current portion (Note 11)	1,793,818
Notes payable – net of current portion (Note 11)	7,512,036
Payable to City of Hayward (Note 12)	<u>217,358</u>
Total liabilities	<u>17,349,147</u>
Net assets:	
Unrestricted	<u>32,449,527</u>
Total net assets	<u>32,449,527</u>
Total liabilities and net assets	<u><u>\$ 49,798,674</u></u>

*The accompanying notes are an integral part of these financial statements.*

EDEN HOUSING, INC.  
(A California Nonprofit Public Benefit Corporation)

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2008

	<u>Unrestricted</u>
Support and revenue:	
Development fees, including accrued interest (Note 5)	\$ 4,343,877
Rental income – owned properties	674,441
Partnership management service contracts (Note 5)	502,500
Deferred ground leases, including accrued interest (Note 5)	572,222
Contributions	349,887
Interest and investment income	439,301
Net realized and unrealized gain (loss) on investments	(47,658)
Income (loss) from investment in partnerships and other companies	(178,721)
Other income	96,890
Total support and revenue	<u>6,752,739</u>
Expenses:	
Program services:	
Housing development	1,539,291
Rental operations	877,664
Supporting services:	
Management and general	795,116
Total expenses	<u>3,212,071</u>
Change in net assets before other income (expenses)	<u>3,540,668</u>
Other income (expenses):	
Capital grants	764,921
Gain on sale of property – Villa Springs (Note 7)	4,212,878
Contributions to related parties (Note 5)	<u>(1,926,973)</u>
Total other income (expenses)	<u>3,050,826</u>
Change in net assets	6,591,494
Net assets, beginning of year	<u>25,858,033</u>
Net assets, end of year	<u><u>\$ 32,449,527</u></u>

*The accompanying notes are an integral part of these financial statements.*

EDEN HOUSING, INC.  
(A California Nonprofit Public Benefit Corporation)  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2008

	<i>Program Services</i>		<i>Supporting Services</i>	
	<i>Housing Development</i>	<i>Rental Operations</i>	<i>Management and General</i>	<i>Total</i>
Salaries and wages	\$ 765,684	\$ 49,036	\$ 329,846	\$ 1,144,566
Payroll taxes and benefits	164,717	26,523	70,593	261,833
Office and maintenance costs	15,678	303,791	193,079	512,548
Occupancy costs	-	33,072	-	33,072
Professional services	159,110	51,952	152,945	364,007
Mortgage interest and carrying costs	33,393	183,903	20,000	237,296
Travel	27,583	-	-	27,583
Non-recoverable development costs	88,841	-	-	88,841
Scholarships	-	-	16,331	16,331
Other expenses	5,526	-	12,322	17,848
Expenses before other costs	1,260,532	648,277	795,116	2,703,925
Other costs:				
Interest – deferred notes	242,179	88,176	-	330,355
Depreciation and amortization	36,580	141,211	-	177,791
Total expenses	\$ 1,539,291	\$ 877,664	\$ 795,116	\$ 3,212,071

*The accompanying notes are an integral part of these financial statements.*

EDEN HOUSING, INC.  
(A California Nonprofit Public Benefit Corporation)

STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2008

Cash flows from operating activities:	
Change in net assets	\$ 6,591,494
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	177,791
Net realized and unrealized gain on investments	47,658
Gain on sale of property - Villa Springs	(4,212,878)
Loss from investment in partnerships and other companies	178,721
(Increase) decrease in assets:	
Grant receivables	(44,979)
Inclusionary housing fee receivables	500,000
Related-party receivables	(1,304,447)
Prepaid expenses and other receivables	16,846
Tenant security deposits	39,113
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	(239,364)
Related-party payable	1,909,904
Deferred revenue	(1,892)
Tenant security deposits	(44,951)
Interest payable	285,802
	<hr/>
Net cash provided by operating activities	3,898,818
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Cash flows from investing activities:	
Net decrease in restricted cash	539,822
Net increase in investments	(489,427)
Net increase in investment in partnerships and other companies	(527,527)
Net increase in notes receivable	(1,076,387)
Net increase in development in progress	(2,760,685)
Purchase of property and equipment	(2,364,735)
Proceeds from sale of property and equipment	95,514
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Net cash used in investing activities	(6,583,425)
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Cash flows from financing activities:	
Proceeds from line of credit	662,907
Principal repayments – mortgages	(94,960)
Proceeds from long-term debt	2,623,137
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Net cash provided by financing activities	3,191,084
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Net increase in cash and cash equivalents	506,477
Cash and cash equivalents, beginning of year	2,465,795
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Cash and cash equivalents, end of year	\$ 2,972,272
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*The accompanying notes are an integral part of these financial statements.*

EDEN HOUSING, INC.  
(A California Nonprofit Public Benefit Corporation)  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2008

Supplementary information:

Cash paid for interest (net of capitalized interest)	<u>\$ 281,849</u>
Noncash investing and financing activities:	
Note receivable from sale of Villa Springs	<u>\$ 1,466,128</u>
Property and equipment acquired with current liabilities	<u>\$ 435,942</u>
Transfers of fixed assets and development in progress to affiliates:	
Central Valley Senior Housing Corporation	<u>\$ 473,366</u>
San Leandro Senior	<u>\$ 232,909</u>
Villa Springs Apartments, L.P.	<u>\$ 4,469,649</u>
Transfers of debt to affiliates:	
Central Valley Senior Housing Corporation	<u>\$ 26,088</u>
San Leandro Senior	<u>\$ 223,972</u>
Villa Springs Apartments, L.P.	<u>\$ 3,008,260</u>

*The accompanying notes are an integral part of these financial statements.*



EDEN HOUSING, INC.  
(A California Nonprofit Public Benefit Corporation)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2008

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

Eden Housing, Inc. (EHI) was formed as a California nonprofit public benefit corporation in 1968. Its mission is to build and maintain high-quality, well-managed, service-enhanced affordable housing communities that meet the needs of lower income families, seniors and persons with disabilities. Affordable housing includes multi-family rental housing, co-ops, supportive housing and first-time homeownership housing.

In addition, EHI owns real properties 742 Harris Court and Groveway and 10<sup>th</sup>/D Street which provide housing for low- and moderate-income individuals and families. These real properties are included in these financial statements as directly owned properties.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Accounting Method

EHI uses the accrual method of accounting, which recognizes income in the period earned and expenses when incurred, regardless of the timing of payments.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

EHI reports information regarding its financial position and activities according to three classes of net assets, as applicable: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Affiliated Organizations

The board of directors of EHI also serves as the board of directors of Eden Housing Management, Inc. (EHMI), which provides property management services in connection with the operations of affordable housing and elderly housing projects, and Eden Housing Resident Services, Inc. (EHRSI), which develops and supports viable social services to the projects' residents. The board of directors of these corporations also serves as the board of directors of a number of other corporations. These corporations own affordable housing or are general partners of partnerships that own affordable housing. All board members serve without compensation. EHI's financial statements do not include the assets, liabilities, revenue or expenses of the related organizations.

EHI serves as the sole member in a number of limited liability companies (LLC's) and intends to transfer their interest in these LLC's to an affiliated nonprofit corporation. (See also Note 6).

EDEN HOUSING, INC.  
(A California Nonprofit Public Benefit Corporation)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2008

Revenue Recognition

Contributions

Contributions are recognized as revenue when they are unconditionally communicated. Grants represent contributions if resource providers receive no value in exchange for the assets transferred. Contributions are recorded at their fair value as unrestricted support, temporarily restricted support, or permanently restricted support, depending on the absence or existence of donor imposed restrictions as applicable. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. If donors' restrictions are satisfied in the same period that the contribution is received, the contribution is reported as unrestricted support.

Government Grants

Government grants or cost-reimbursement type contacts are generally deemed to be exchange transactions and, accordingly, are shown separately as government grants in the Statement of Activities.

Rental Income

Rental income for owned property is shown at its maximum gross potential. Vacancy loss is shown as a reduction in rental income. Rental units occupied by employees are included in rental income and as an expense of operations.

Development Fees

Developer fees for development of multi-family rental projects that are in development or under construction are recognized under the percentage-of-completion method. Developer fees for projects that are in the predevelopment or preconstruction stage, are recognized as revenue on the cash basis of accounting.

For certain projects which total fee during development is reduced due to potential unforeseen events, developer fees are recognized up to a total amount reasonably estimated when the events occur.

Cash and Cash Equivalents

Cash is defined as cash in demand deposit accounts as well as cash on hand. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash. Generally, only investments with original maturities of three months or less qualify as cash equivalents. Not included as cash and cash equivalents are funds restricted as to their use, regardless of liquidity, such as security deposits, replacement reserves, and operating reserves.

EHI occasionally maintains cash on deposit at a bank in excess of the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation insurable limit. The uninsured cash balance, including restricted cash, was approximately \$2,500,000 as of June 30, 2008. EHI has not experienced any losses in such accounts.

Restricted Cash

Restricted cash includes cash earmarked for specific development activities, reserves for repairs and replacements, operating reserves, and tax and insurance impound accounts.

EDEN HOUSING, INC.  
(A California Nonprofit Public Benefit Corporation)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2008

Allowance for Doubtful Collections

EHI records an allowance for doubtful collections based on a review of outstanding receivables, existing economic conditions or specific situations. The allowance for doubtful collections was \$443,805 as of June 30, 2008 (see Note 5). There was no increase in the allowance during 2008.

Investments

Investments are stated at fair value.

Investment in limited partnerships and other companies is accounted for using cost or equity method of accounting depending upon the level of control.

Developments in Progress

EHI incurs costs during the predevelopment phase of each affordable housing project undertaken. Such costs include governmental fees, legal and consulting fees, and supplies needed to investigate the feasibility and arrange for the financing of each project under construction, as well as construction costs. EHI records these costs as assets (development in progress) and the costs are usually recoverable from the project; either from loan proceeds, limited partner contributions or residual receipts generated by project operations.

Any funds expended on a project that do not pass beyond the development stage are recorded as expenses when further activity on the project ceases.

Property and Equipment

Property and equipment are stated at cost of acquisition or construction, or at fair value if donated. The cost of maintenance and repairs is charged to expense as incurred. Depreciation is based on the straight-line method over the estimated useful lives of the assets. Construction in progress is not depreciated until the completion of the development.

The useful lives of the assets are estimated as follows:

Building and improvements	20 to 40 years
Furniture and fixtures	5 to 10 years

Deferred Costs

Loan fees associated with the refinancing of the Grove Way property debt are stated at cost and amortized over the respective loan terms.

Income Taxes

EHI is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and the related California code sections.

Functional Expense Allocation

The costs of providing program services and supporting services are summarized on a functional basis in the statements of activities and statements of functional expenses. Accordingly, certain costs are allocated among program services and supporting services based on estimates of employees' time incurred and on usage of resources.

EDEN HOUSING, INC.  
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

**NOTE 3 – INCLUSIONARY HOUSING FEE RECEIVABLE**

Inclusionary housing programs are designed to increase the supply of affordable housing by requiring commercial developers to either make a percentage of housing units in new residential developments available to low and moderate-income households, or to provide a monetary subsidy (fee) to affordable housing developers to be used in project specific affordable housing developments. This subsidy is generally recognized as income when earned. In 2007, inclusionary housing fees of \$2,800,000 and \$2,000,000 were earned related to Saklan Avenue, Limited Partnership and Grand/C Limited Partnership, respectively. As of June 30, 2008, the receivable balance related to Saklan Avenue, Limited Partnership was \$1,300,000.

**NOTE 4 – INVESTMENTS**

Investments at June 30, 2008 are summarized as follows:

	<i>Cost</i>	<i>Fair Value</i>
Common stocks	\$ 128,575	\$ 127,305
Corporate bonds	144,883	140,492
Mutual funds	661,035	653,471
	<u>\$ 934,493</u>	<u>\$ 921,268</u>

**NOTE 5 – RELATED-PARTY TRANSACTIONS**

Related-party receivables and payables are summarized as follows:

Receivable:	
Developer fees	\$ 7,745,660
Partnership management fees	1,683,712
Ground leases	3,222,764
Advances for development costs	819,741
Advances to general partners	1,544,609
Operating advances to EHMI	197,439
Reserve funding fees	37,000
Accrued interest on developer fees	409,214
Accrued interest on ground leases	668,474
Accrued interest on notes receivable	841,028
Accrued interest – other	130,413
Total	<u>17,300,054</u>
Less: allowance for doubtful collections	(443,805)
	<u>16,856,249</u>
Less: current portion	(6,663,989)
Long-term portion	<u>\$ 10,192,260</u>

EDEN HOUSING, INC.  
(A California Nonprofit Public Benefit Corporation)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2008

Payable:

Operating advances:

Eden Baywood L.P.	\$ 106,767
Eden Palms Associates	30,027
Monterey Road Supportive Housing	17,679
Other	1,549

Grants:

Palo Alto Alma	63,875
Sara Conner Court L.P.	25,000
Richmond Nursery	764,921

Contribution:

Eden Investments, Inc.	917,655
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Total	1,927,473
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Less: current portion	(917,655)
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Long-term portion	<u>\$ 1,009,818</u>
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Operating Advances to EHRSI

EHI provides operating advances to EHRSI to cover its overhead expense which are treated as contributions to related parties. In 2008, EHI made operating advances of \$201,895.

Other Fees and Reimbursements

EHI receives various fees and reimbursements from related parties. These include development fees for the development of affordable housing, project cost reimbursements for costs advanced during the predevelopment stage of affordable housing projects, fees pursuant to partnership agreements that affiliated organizations have entered into, and repayment of advances made to affiliates. EHMI and EHRSI receive reimbursement for payroll costs advanced and receive management and service fees from the rental properties owned or controlled by EHI. Developer fees earned, including accrued interest, from affiliated entities were \$4,343,877 for the year ended June 30, 2008.

Partnership Management Service Contracts

EHI entered into partnership management service contracts with various affiliates. These affiliates pay EHI for management and administrative fees and during the year ended June 30, 2008, EHI earned \$502,500 from these entities.

Leases

EHI leases land to affiliates upon which affordable housing projects are operated. Lease payments are generally deferred until some future date, but revenue earned and recognized, including accrued interest, was \$572,222 for the year ended June 30, 2008.

EHI leases additional office space from Glen Eden Associates, an affiliate. Rental payments were \$33,072 for the year ended June 30, 2008.

EDEN HOUSING, INC.  
(A California Nonprofit Public Benefit Corporation)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2008

Contributions to Related Parties

Contributions to related parties are summarized as follows:

Eden Housing Resident Services, Inc.	\$ 201,895
Richmond Nursery	764,921
Eden Investments, Inc. (see Note 6)	917,655
Others	42,502
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Total	\$ 1,926,973
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**NOTE 6 – INVESTMENT IN PARTNERSHIPS AND OTHER COMPANIES**

EHI is a partner or member, and has financial interests in the following California limited partnerships and limited liability companies:

<i>Name of Entities</i>	<i>Financial Interest</i>
Baywood Associates	\$ 376,150
C.G.A. Associates	203,455
Sara Conner Court LLC <sup>(1)</sup>	138,277
Downtown River LLC <sup>(1)</sup>	114,778
Eden Baywood Apartments LLC <sup>(1)</sup>	68,707
Housing Partnership Securities, LLC	8,025
Chesley Avenue L.P.	10,000
Dublin Senior LLC <sup>(1)</sup>	(6,611)
Saklan Avenue LLC <sup>(1)</sup>	(542)
Brentwood Senior Housing LLC <sup>(1)</sup>	486,294
Grand/C LLC <sup>(1)</sup>	(820)
Villa Springs LLC <sup>(1)</sup>	117,472
Antioch Eden Rivertown, LLC <sup>(1)</sup>	100
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	\$ 1,515,285
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- <sup>(1)</sup> EHI intends to transfer its membership interest in these single-member limited liability companies to an affiliate non-profit organization commonly-controlled by EHI's board of directors. Thus, the financial information of these companies, including the partnerships controlled by these companies, is not consolidated in the accompanying financial statements. The general purpose combined financial statements of EHI and affiliates will however, include the full consolidation of the partnerships and other companies controlled by EHI's affiliates.

In relation to the transfer of the EHI's interest to its affiliate, a contribution expense and corresponding liability equal to the combined value of EHI's investment in these entities amounting to \$917,655 was recorded as of June 30, 2008.

EDEN HOUSING, INC.  
(A California Nonprofit Public Benefit Corporation)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2008

The financial position and activities of the limited partnerships and other companies are approximately as follows:

Total assets	\$ 151,129,000
Total liabilities	94,766,000
Partners' and member's equity	56,364,000
Total revenue	5,139,000
Total expenses	9,696,000
Results of operations	(4,557,000)

**NOTE 7 – NOTES RECEIVABLE**

Notes receivable are summarized as follows:

Related Parties

Eden Housing Management, Inc. for management and resident support services. The note is non-interest bearing, unsecured, and matures June 2013.	\$ 1,545,000
SPM Housing Associates, secured by a deed of trust, with interest at 4% per annum, and is due on June 1, 2043. Accrued interest receivable was \$140,544 at June 30, 2008.	350,000
Sycamore Square Housing Corporation, unsecured with interest at 3% per annum. Annual payments are required commencing November 2, 2002 to the extent of surplus cash, as defined, with principal and any unpaid interest due in full on November 30, 2031. Accrued interest receivable was \$22,412 at June 30, 2008.	207,037
Josephine Lum Lodge, L.P., unsecured with interest at 4.79% per annum. Annual payments are required commencing December 1, 2017 to the extent of surplus cash, as defined, with any unpaid principal and interest due in full on December 1, 2060. Accrued interest receivable was \$664,859 at June 30, 2008.	5,275,956
Josephine Lum Lodge, L.P., unsecured and bears no interest. Annual payments are required commencing July 1, 2025 to the extent of surplus cash, as defined, with any unpaid principal and interest due in full on November 1, 2060.	189,896
Saklan Avenue L.P., maximum amount of \$2,800,000, secured by a deed of trust, bears no interest, and is due and payable 55 years from the date of the permanent loan closing or December 31, 2009, if the permanent loan closing does not occur.	1,500,000
Grand/C L.P., maximum amount of \$507,000, secured by a deed of trust and bears simple interest at 3% per annum. Annual payments are required commencing July 1, 2010 to the extent of residual receipts, as defined. Any unpaid principal and interest shall be due and payable in full on February 1, 2062. Accrued interest receivable was \$6,213 at June 30, 2008.	497,000
Grand/C L.P., secured by a deed of trust and bears simple interest at 3% per annum. Annual payments are required commencing July 1, 2010 to the extent of residual receipts but only after the \$507,000 note above, as defined, has been repaid. Any unpaid principal and interest shall be due and payable in full on February 1, 2062. Accrued interest receivable was \$7,000 at June 30, 2008.	560,000
Villa Springs Apartments, L.P. secured by a deed of trust and bears interest at 4.46% compounded annually. Annual payments are required beginning in the year the Project is completed to the extent of residual receipts. Any unpaid principal and interest shall be due and payable in full on June 1, 2063. <sup>(1)</sup>	1,466,128



EDEN HOUSING, INC.  
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

Notes receivable (for general partner capital contributions or other advances) from the following affiliates are non-interest bearing and unsecured. On December 31st annually, any unrestricted funds of the affiliates, less a reasonable amount for corporate expenses held by the affiliates, shall be paid against the notes:

Catalonia, Inc.	507,083
Eden Palms, Inc.	120,000
RVC Investment, Inc.	54,727
Stoney, Inc.	62,959
A Street, Inc.	54,956
Eden Investments, Inc.	137,780
Contra Costa County Housing Corporation	152,654

Notes receivable (for minimum capital investment advances on HUD properties) from the following affiliates are non-interest bearing and unsecured:

San Leandro Supportive Housing, Inc.	10,000
Central Valley Senior Housing Corporation	10,000
Gardella Plaza, Inc.	10,000
Monterey Road Supportive Housing Corporation	9,410
Total – related parties	<u>12,770,586</u>

Other Notes Receivable

Notes receivable from buyers of units in the La Solanita and La Solana projects, due only upon sale of the property to persons not qualifying as low-income families, with interest ranging from 8% to 10% per annum.

25,350

Notes receivable from buyers of units in the Tyrrell Gardens project, due only upon sale of the property to persons not qualifying as low-income families, with interest at 8% per annum (see Note 12).

60,200

Note receivable from Cal-Livermore, Inc., with interest at 5% per annum. Principal and interest repayable at some future date.

100,000

Note receivable from Richmond Community Redevelopment Agency, maximum amount \$1,778,219, unsecured, with interest at 8% per annum, interest only monthly payments commencing August 1, 2006, and due on the earlier of June 28, 2008 or upon sale or transfer to another entity.

1,771,001

Total – other notes receivable

1,956,551

Total notes receivable

\$ 14,677,137

<sup>(1)</sup> Included in other income for 2008 is \$4,212,878 of gain on sale of the Villa Springs property to Villa Springs Apartments, L.P. The gain is comprised of \$481,313 which arose from a real estate seller take-back note made by EHI to an affiliate, and \$3,731,565 in notes payable and applicable accrued interest payable that were forgiven as a condition to the sale. Since EHI as the seller is not the direct general partner of the acquiring limited partnership, EHI recognized the full amount of the gain from the sale.

EDEN HOUSING, INC.  
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

**NOTE 8 – DEVELOPMENT IN PROGRESS**

Development in progress consists of the following:

Richmond Nursery	\$ 2,017,967
Lafayette	164,874
Arroyo Vista Housing	658,441
Ashland Village	736,202
Healdsburg	413,887
Palo Alto Family Housing	434,492
Fremont Senior Housing	214,987
Novato	134,044
Pittsburg - East Santa Fe	26,267
Refinancing costs (rehabilitation)	120,111
Others	<u>8,263</u>
Total development in progress	<u><u>\$ 4,929,535</u></u>

**NOTE 9 – PROPERTY AND EQUIPMENT**

Property and equipment is summarized as follows:

Land:	
Leased to affiliates	\$ 1,941,947
Owned housing projects	193,875
Corporate office	272,687
Building and improvements:	
Owned housing projects	797,232
Corporate office	812,214
New corporate office	2,574,659
Furniture and equipment	<u>248,032</u>
	<u>6,840,646</u>
Less accumulated depreciation:	
Buildings and improvements	680,244
Furniture and equipment	<u>45,842</u>
	<u>726,086</u>
Total property and equipment	<u><u>\$ 6,114,560</u></u>

**NOTE 10 – LINE OF CREDIT**

EHF has a \$2,500,000 unsecured revolving line of credit with Wells Fargo Bank, of which \$1,343,096 was outstanding at June 30, 2008. Bank advances on the credit line are payable in full by May 1, 2010 (maturity date) and bears interest determined in relation to LIBOR that may be continued by EHF at the end of the Fixed Rate Term applicable thereto so that all or a portion thereof bears interest determined in relation to the Prime Rate or to LIBOR for a new Fixed Rate term designated. As a sub feature of the line of credit, the bank agrees to issue standby letters of credit, where requested, not to exceed the aggregate of \$1,500,000. Any amount of undrawn letters of credit shall proportionately reduce the amount available to borrow on the line of credit.

EDEN HOUSING, INC.  
(A California Nonprofit Public Benefit Corporation)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2008

**NOTE 11 – NOTES PAYABLE**

Notes payable, except demand notes payable, are secured by the property unless otherwise noted and are summarized as follows:

	<i>Interest Payable</i>	<i>Principal</i>
<u><i>742 Harris Court</i></u>		
Citicorp Mortgage, Inc., maximum amount of \$248,500, due July 1, 2029, bears interest at 7.18% per annum, and requires annual payments of \$1,683.	\$ 1,337	\$ 219,131
City of Hayward (HOME) for predevelopment costs, due January 10, 2054, bears interest at 4.69% per annum from January 1, 2001. Annual payments are required commencing July 1, 2001, to the extent of surplus cash, as defined.	50,311	165,000
<u><i>Grove Way/Tenth and D Streets</i></u>		
Citicorp Mortgage, Inc., due June 1, 2029, bears interest at 7.00% per annum and is payable in monthly installments of \$2,754.	2,119	363,312
<u><i>Stoney Creek Apartments</i></u>		
City of Livermore, bears compound interest at 3.00% per annum. The loan is to be repaid, to the extent EHI receives annual lease payments from the project.	436,346	813,114
<u><i>Washington Creek Apartments</i></u>		
City of Petaluma. The principal is due July 24, 2020, with any unpaid interest which accrues at 3.00% per annum.	172,800	320,000
<u><i>Richmond Nursery</i></u>		
City of Richmond, for acquisition and predevelopment costs, consisting of \$449,000 in CDBG funds and \$151,536 in HOME funds, bears simple interest at 3.00% per annum and due on September 22, 2008.	45,414	919,420
Opportunity Fund Northern California (formerly Lenders for Community Development), for the acquisition and development of affordable housing, maximum amount \$1,778,219, secured by general collateral assignment of non-real property assets, bears interest at 8.00% per annum, interest only monthly payments commencing August 1, 2006, and due on the earlier of June 28, 2008 or assignment to an affiliate. Repayment of the loan is guaranteed by the Richmond Community Redevelopment Agency.	-	1,771,001
<u><i>Grand/C L.P.</i></u>		
Redevelopment Agency of the City of Hayward, for the development of affordable rental housing, maximum amount \$507,000, bears simple interest at 5.10% per annum, interest only monthly payments commencing March 1, 2007, and due on the earliest of a transfer of the development or any portion thereof other than a transfer as permitted or approved by the Agency, or occurrence of a default, or February 1, 2022.	6,337	497,000
<u><i>E. Santa Fe Avenue</i></u>		
Redevelopment Agency of the City of Pittsburg, for the predevelopment of affordable rental housing, maximum amount of \$200,000, bears simple interest at 3% per annum, and due on August 6, 2009 or occurrence of a default.	156	24,971

EDEN HOUSING, INC.  
(A California Nonprofit Public Benefit Corporation)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2008

	<i>Interest Payable</i>	<i>Principal</i>
<u><i>Cypress Glen</i></u> Redevelopment Agency of the City of Hayward, for predevelopment costs, bears simple interest at 3.00% per annum and due on December 11, 2062.	-	200,000
<u><i>Arroyo Vista</i></u> City of Dublin, for predevelopment costs, maximum amount of \$325,000, bears simple interest at 3.00% per annum and due on December 18, 2010.	-	141,683
Wells Fargo Community Development Corporation, bears simple interest at 2%, interest paid quarterly with principal and any interest due in July 2012.	2,500	500,000
<u><i>Lafayette</i></u> Redevelopment Agency of the City of Lafayette, for predevelopment costs, maximum amount of \$2,200,000, bears simple interest at 3.00% per annum and due on January 11, 2011.	506	102,405
<u><i>Peralta</i></u> City of Fremont, for predevelopment costs, maximum amount of \$250,000, bears simple interest at 3.00% per annum and due on September 9, 2009.	1,815	198,272
<u><i>Palo Alto</i></u> Opportunity Fund, for predevelopment costs, maximum amount of \$325,000, bears simple interest at 3.00% per annum and due on December 18, 2010.	-	116,102
<u><i>General</i></u> Wells Fargo Community Development Corporation, in an original amount of \$1,000,000. Bears simple interest at 2.00%, interest paid quarterly with principal and any unpaid interest due in full January 2013.	5,000	1,000,000
<u><i>New Corporate Office/Office Building</i></u> Wells Fargo Community Development Corporation, bears simple interest at 2%, interest paid quarterly with principal and any interest due in September 2011.	2,500	500,000
Wells Fargo Bank, N.A., for the construction of commercial office space at 22645 Grand Street, Hayward, maximum amount of \$704,519, secured by deed of trust, bears interest at 6.70% per annum (if conversion occurs on or before the mandatory conversion date) or 1.75% plus applicable LIBOR rate (if conversion does not occur by mandatory conversion date), and any unpaid principal and interest due and payable in full on June 20, 2008. The loan was extended and subsequently converted to a permanent loan on October 10, 2008.	-	642,886
<u><i>Corporate Office/Office Building</i></u> Bank of the West for acquisition of property for corporate office at 409 Jackson Street, Hayward, due in September 2007. Monthly installments are \$3,159, with interest at 5.00%. The loan was paid-off in September 2007 and was replaced by a new loan with maximum amount of \$410,000 with a maturity date of September 25, 2012.	-	398,790

EDEN HOUSING, INC.  
(A California Nonprofit Public Benefit Corporation)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2008

	<i>Interest Payable</i>	<i>Principal</i>
<u><i>Demand Notes Payable</i></u>		
Payable to A Street, Inc., on demand or by December 31, 2051, with compound interest at 5.84% per annum.	- <sup>(1)</sup>	167,000
Payable to Catalonia, Inc., on demand or by December 31, 2053, with compound interest at 6.36% per annum.	338,706	290,000
Payable to Chynoweth Housing, Inc., on demand or by December 31, 2055, and is non-interest bearing.	-	250,000
Payable to Corona-Ely Ranch, Inc., on demand or by December 31, 2052, with compound interest at 7.69% per annum.	- <sup>(1)</sup>	286,000
Payable to Eden Investments, Inc., on demand or by December 31, 2055, and is non-interest bearing.	-	50,000
Payable to Eden Palms, Inc., on demand or by December 31, 2050, with compound interest at 6.36% per annum.	740,090	633,000
Payable to Ellis Lake Townhomes, on demand or by December 31, 2051, and is non-interest bearing.	-	79,000
Payable to Glen Berry, Inc., on demand or by December 31, 2052, with compound interest at 7.67% per annum.	- <sup>(1)</sup>	215,000
Payable to Stoney, Inc., on demand or by December 31, 2051, with compound interest at 6.75% per annum.	- <sup>(1)</sup>	305,000
Payable to Washington Creek, Inc., on demand or by December 31, 2051, with compound interest at 6.75% per annum.	- <sup>(1)</sup>	113,500
Total	1,805,937	11,281,586
Less: current portion	(12,119)	(3,769,550)
Long-term portion	<u>\$ 1,793,818</u>	<u>\$ 7,512,036</u>

<sup>(1)</sup> Accrued interest is being offset against partnership management fee income.

Principal payments on notes payable for the next five years are subject to changes in net cash flow and are estimated as follows:

2009	\$ 3,769,550
2010	211,665
2011	874,560
2012	515,420
2013	16,545

EDEN HOUSING, INC.  
*(A California Nonprofit Public Benefit Corporation)*  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2008

**NOTE 12 – PAYABLE TO CITY OF HAYWARD**

Funds due to the City of Hayward upon collection from homeowners are summarized as follows:

Tyrrell Gardens (see Note 7)	\$ 60,200
Tyrrell Gardens	<u>157,158</u>
	<u>\$ 217,358</u>

**NOTE 13 – EMPLOYEE BENEFIT PLANS**

EHI established a 401(a) defined contribution pension plan effective July 1, 1992. Employees become eligible to participate in the plan after one year of service, are fully vested in three years and are not required to contribute to the plan. The contribution to the plan is determined on an annual basis by the board of directors. A maximum of 5% of covered wages could be contributed and \$43,451 were contributed for the year ended June 30, 2008.

EHI established a 401(k) profit sharing plan that was effective January 1, 1999. Employees become eligible to participate in the plan immediately on the first day of employment. Participants may contribute annually from 1% to 100% of their compensation, provided that maximum amount contributed is permitted by law. This plan is for employees' salary deferral only and EHI is not required to make contributions.

EHI also established a 403(b) defined contribution plan. This plan is for highly compensated employees' salary deferral and EHI is not required to make contributions.

**NOTE 14 – COMMITMENTS AND CONTINGENCIES**

EHI has committed to provide demand loans payable to three affiliates for the purpose of satisfying their net worth requirements. The non-interest bearing demand loans expire at the end of the respective partnerships and at June 30, 2008 are as follows:

	<u>Principal</u>
Eden Investments, Inc.	\$ 103,500
California Preservation, Inc.	104,000

EHI has provided loan and operating deficit guarantees as well as indemnifications with regard to tax benefits projected for its various affiliates and projects. EHI will be responsible for repaying a loan if, when the loan becomes due, the respective affiliate or project does not make payment on the loan. EHI will cover operating deficits as needed up to a stated limit. EHI does not require any collateral or other security from its affiliates and projects related to these guarantees. A reasonable estimate of the outstanding operating deficit guarantees at June 30, 2008 amounted to approximately \$10,000,000, and outstanding loan guarantees were approximately \$57,000,000. In addition, EHI has guaranteed an aggregate amount in excess of approximately \$80,000,000 to the limited investors for tax credits and other deductions for various affiliated limited partnerships as of June 30, 2008. Management believes that the likelihood of funding a material amount of any of the guarantees is remote.

In connection with the development of affordable housing projects, which are owned by limited partnerships, EHI has acquired the options to purchase the projects at the close of the projects' 15-year compliance period.

## **SUPPLEMENTARY INFORMATION**



EDEN HOUSING, INC.  
(A California Nonprofit Public Benefit Corporation)  
SCHEDULES OF FINANCIAL POSITION –  
OWNED AFFORDABLE HOUSING PROJECTS  
JUNE 30, 2008

	<i>742 Harris Court</i>	<i>Grove Way and 10th/ D Street</i>	<i>Total</i>
<b>ASSETS</b>			
Cash	\$ 998	\$ 36,365	\$ 37,363
Cash – restricted	8,480	79,888	88,368
Prepaid expenses and other receivables	2,934	5,247	8,181
Tenant security deposits	3,650	6,403	10,053
Property and equipment – net	351,583	170,581	522,164
Deferred costs – net	-	5,157	5,157
	<hr/>	<hr/>	<hr/>
Total assets	\$ 367,645	\$ 303,641	\$ 671,286
	<hr/>	<hr/>	<hr/>
<b>LIABILITIES AND NET ASSETS (DEFICIT)</b>			
<b>Liabilities:</b>			
Accounts payable and accrued expenses	\$ 7,062	\$ 2,600	\$ 9,662
Related-party payable	1,549	-	1,549
Tenant security deposits	2,521	4,961	7,482
Interest payable	51,648	2,119	53,767
Notes payable	384,130	363,312	747,442
	<hr/>	<hr/>	<hr/>
Total liabilities	446,910	372,992	819,902
	<hr/>	<hr/>	<hr/>
<b>Net assets (deficit):</b>			
Unrestricted	(79,265)	(69,351)	(148,616)
	<hr/>	<hr/>	<hr/>
Total net assets (deficit)	(79,265)	(69,351)	(148,616)
	<hr/>	<hr/>	<hr/>
Total liabilities and net assets	\$ 367,645	\$ 303,641	\$ 671,286
	<hr/>	<hr/>	<hr/>

EDEN HOUSING, INC.  
*(A California Nonprofit Public Benefit Corporation)*  
 SCHEDULES OF OPERATIONS –  
 OWNED AFFORDABLE HOUSING PROJECTS  
 YEAR ENDED JUNE 30, 2008

	<i>742 Harris Court</i>	<i>Grove Way and 10th/ D Street</i>	<i>Total</i>
Income:			
Rental income, net of vacancy loss	\$ 43,501	\$ 126,586	\$ 170,087
Laundry and other	32,202	1,120	33,322
Interest income	104	99	203
Total income	<u>75,807</u>	<u>127,805</u>	<u>203,612</u>
Expenses:			
Salaries and wages	3,784	7,413	11,197
Payroll taxes and benefits	2,484	6,089	8,573
Office and maintenance costs	15,937	40,474	56,411
Professional services	380	9,030	9,410
Mortgage interest and carrying costs	15,903	25,670	41,573
Total expenses	<u>38,488</u>	<u>88,676</u>	<u>127,164</u>
Income from operations	37,319	39,129	76,448
Other expenses:			
Depreciation and amortization	<u>-</u>	<u>14,433</u>	<u>14,433</u>
Net income	<u>\$ 37,319</u>	<u>\$ 24,696</u>	<u>\$ 62,015</u>

**EDEN HOUSING, INC.  
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS**

**AND**

**INDEPENDENT AUDITOR'S REPORT**

**YEARS ENDED JUNE 30, 2007 AND 2006**

EDEN HOUSING, INC. AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2007 AND 2006

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\* \* \* \*



Board of Directors  
Eden Housing, Inc. and Subsidiaries  
Hayward, California

JAMES M. KRAFT  
S. SCOTT SEAMANDS  
MARK O. BRITTAIN  
ALEXIS H. WONG  
\_\_\_\_\_  
CHARLOTTE SIEW-KUN TAY  
CATHY L. HWANG  
RITA B. DELA CRUZ

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying consolidated statements of financial position of Eden Housing, Inc., a California nonprofit public benefit corporation, and Subsidiaries as of June 30, 2007 and 2006, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended. These consolidated financial statements are the responsibility of Eden Housing, Inc. and Subsidiaries' management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of Eden Housing, Inc. and Subsidiaries' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Eden Housing, Inc. and Subsidiaries as of June 30, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The financial statements of Eden Housing, Inc. and Subsidiaries have been prepared without combining the financial statements of related entities under common control. Combined financial statements will also be issued and those statements are the general-purpose financial statements of the primary reporting entity.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2007 on our consideration of Eden Housing, Inc. and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying supplementary information on pages 27 and 28, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

*Lindquist, von Huen and Joyce LLP*

November 19, 2007

EDEN HOUSING, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2007 AND 2006

	2007	2006
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,465,795	\$ 1,565,638
Grants receivables	29,421	54,400
Inclusionary housing fee receivables (Note 15)	1,800,000	-
Related-party receivables, net – current portion (Note 4)	2,938,627	2,920,790
Prepaid expenses and other receivables	144,354	101,217
Total current assets	7,378,197	4,642,045
Investments (Note 3)	479,499	427,836
Related-party receivables, net – net of current portion (Note 4)	12,578,507	9,423,989
Notes receivable (Note 6)	12,134,622	9,433,623
Tenant security deposits	51,775	57,259
Cash – restricted	974,435	390,717
Investments in partnerships and other companies (Note 5)	1,064,737	1,319,033
Development in progress (Note 7)	2,698,807	4,077,517
Property and equipment – net (Note 8)	8,136,567	7,481,409
Deferred costs – net	30,962	32,113
Total assets	\$ 45,528,108	\$ 37,285,541
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 476,709	\$ 438,694
Line of credit (Note 9)	930,249	529,576
Interest payable – current portion (Note 10)	30,260	22,438
Notes payable – current portion (Note 10)	2,641,353	114,968
Total current liabilities	4,078,571	1,105,676
Related-party payable (Note 4)	885,137	540,057
Deferred revenue	94,820	227,330
Tenant security deposits	52,433	54,768
Interest payable – net of current portion (Note 10)	2,983,097	2,700,922
Notes payable – net of current portion (Note 10)	11,358,659	14,846,308
Payable to City of Hayward (Note 11)	217,358	217,358
Total liabilities	19,670,075	19,692,419
Net assets:		
Unrestricted	25,858,033	17,593,122
Total net assets	25,858,033	17,593,122
Total liabilities and net assets	\$ 45,528,108	\$ 37,285,541

*The accompanying notes are an integral part of these financial statements.*



EDEN HOUSING, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2007 AND 2006

	2007		
	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Total</i>
Support and revenue:			
Development fees, including accrued interest (Note 4)	\$ 4,786,584	\$ -	\$ 4,786,584
Rental income – owned properties	715,756	-	715,756
Partnership management service contracts (Note 4)	496,338	-	496,338
Deferred ground leases, including accrued interest (Note 4)	228,355	-	228,355
Contributions (Note 12)	312,649	-	312,649
Government grants	69,323	-	69,323
Interest and investment income	562,294	-	562,294
Net realized and unrealized gain on investments	30,163	-	30,163
Income (loss) from investment in partnerships and other companies	(389,500)	-	(389,500)
Other income	55,883	-	55,883
Net assets released from restrictions (Note 12)	-	-	-
Total support and revenue	6,867,845	-	6,867,845
Expenses:			
Program services:			
Housing development	1,517,869	-	1,517,869
Rental operations	954,560	-	954,560
Supporting services:			
Management and general	735,860	-	735,860
Total expenses	3,208,289	-	3,208,289
Change in net assets before other income (expenses)	3,659,556	-	3,659,556
Other income (expenses):			
Inclusionary housing fees (Note 15)	4,800,000	-	4,800,000
Capital grants	306,832	-	306,832
Contributions to related parties (Note 4)	(501,477)	-	(501,477)
Provision for doubtful collections (Note 4)	-	-	-
Total other income (expenses)	4,605,355	-	4,605,355
Change in net assets	8,264,911	-	8,264,911
Net assets, beginning of year	17,593,122	-	17,593,122
Net assets, end of year	\$ 25,858,033	\$ -	\$ 25,858,033

*The accompanying notes are an integral part of these financial statements.*

EDEN HOUSING, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2007 AND 2006

	2006		
	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Total</i>
Support and revenue:			
Development fees, including accrued interest (Note 4)	\$ 3,325,662	\$ -	\$ 3,325,662
Rental income – owned properties	660,388	-	660,388
Partnership management service contracts (Note 4)	380,800	-	380,800
Deferred ground leases, including accrued interest (Note 4)	245,867	-	245,867
Contributions (Note 12)	564,283	-	564,283
Interest and investment income	121,935	554	122,489
Net realized and unrealized gain on investments	12,835	-	12,835
Income from investment in partnerships and other companies	260,184	-	260,184
Other income	76,534	-	76,534
Net assets released from restrictions (Note 12)	32,798	(32,798)	-
Total support and revenue	<u>5,681,286</u>	<u>(32,244)</u>	<u>5,649,042</u>
Expenses:			
Program services:			
Housing development	1,403,167	-	1,403,167
Rental operations	998,432	-	998,432
Supporting services:			
Management and general	580,807	-	580,807
Total expenses	<u>2,982,406</u>	<u>-</u>	<u>2,982,406</u>
Change in net assets before other income (expenses)	<u>2,698,880</u>	<u>(32,244)</u>	<u>2,666,636</u>
Other income (expenses):			
Capital grants	159,867	-	159,867
Note receivable donated by related party (Note 6)	5,275,956	-	5,275,956
Contributions to related parties (Note 4)	(693,740)	-	(693,740)
Provision for doubtful collections (Note 4)	(600,000)	-	(600,000)
Forgiveness of advances receivable (Note 4)	(118,581)	-	(118,581)
Total other income (expenses)	<u>4,023,502</u>	<u>-</u>	<u>4,023,502</u>
Change in net assets	6,722,382	(32,244)	6,690,138
Net assets, beginning of year	<u>10,870,740</u>	<u>32,244</u>	<u>10,902,984</u>
Net assets, end of year	<u>\$ 17,593,122</u>	<u>\$ -</u>	<u>\$ 17,593,122</u>

*The accompanying notes are an integral part of these financial statements.*

EDEN HOUSING, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES  
YEARS ENDED JUNE 30, 2007 AND 2006

	2007			
	<i>Program Services</i>		<i>Supporting Services</i>	
	<i>Housing Development</i>	<i>Rental Operations</i>	<i>Management and General</i>	<i>Total</i>
Salaries and wages	\$ 851,452	\$ 51,265	\$ 310,181	\$ 1,212,898
Payroll taxes and benefits	171,003	36,586	63,247	270,836
Office and maintenance costs	28,230	303,884	140,589	472,703
Occupancy costs	-	33,184	-	33,184
Professional services	94,357	46,448	132,972	273,777
Mortgage interest and carrying costs	19,091	206,580	20,000	245,671
Travel	20,877	-	-	20,877
Non-recoverable development costs	58,654	-	-	58,654
Scholarships	-	-	37,850	37,850
Other expenses	4,909	-	31,021	35,930
Expenses before other costs	1,248,573	677,947	735,860	2,662,380
Other costs:				
Interest – deferred notes	233,961	103,679	-	337,640
Depreciation and amortization	35,335	172,934	-	208,269
Total expenses	\$ 1,517,869	\$ 954,560	\$ 735,860	\$ 3,208,289

*The accompanying notes are an integral part of these financial statements.*

EDEN HOUSING, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES  
YEARS ENDED JUNE 30, 2007 AND 2006

	2006			
	<i>Program Services</i>		<i>Supporting Services</i>	
	<i>Housing Development</i>	<i>Rental Operations</i>	<i>Management and General</i>	<i>Total</i>
Salaries and wages	\$ 797,134	\$ 75,728	\$ 286,888	\$ 1,159,750
Payroll taxes and benefits	135,115	31,675	47,473	214,263
Office and maintenance costs	9,877	294,524	139,308	443,709
Occupancy costs	-	33,072	-	33,072
Professional services	156,187	43,165	83,636	282,988
Mortgage interest and carrying costs	13,870	205,602	15,000	234,472
Travel	13,648	-	-	13,648
Scholarships	-	-	1,623	1,623
Other expenses	7,652	39,040	6,879	53,571
Expenses before other costs	1,133,483	722,806	580,807	2,437,096
Other costs:				
Interest – deferred notes	237,526	103,679	-	341,205
Depreciation and amortization	32,158	171,947	-	204,105
Total expenses	\$ 1,403,167	\$ 998,432	\$ 580,807	\$ 2,982,406

*The accompanying notes are an integral part of these financial statements.*

EDEN HOUSING, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2007 AND 2006

	2007	2006
Cash flows from operating activities:		
Change in net assets	\$ 8,264,911	\$ 6,690,138
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	208,269	204,105
Net realized and unrealized gain on investments	(30,163)	(12,835)
Loss on retirement of fixed assets	-	19,160
Income from investment in partnerships and other companies	389,500	(260,184)
Note receivable donated by related party	-	(5,275,956)
Provision for doubtful collections	-	600,000
(Increase) decrease in assets:		
Grant receivables	24,979	(54,400)
Inclusionary housing fee receivables	(1,800,000)	-
Related-party receivables	(2,225,509)	(701,531)
Prepaid expenses and other receivables	(43,137)	8,163
Tenant security deposits	5,484	(4,677)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(128,956)	156,837
Related-party payable	345,080	471,297
Deferred revenue	(132,510)	28,382
Tenant security deposits	(2,335)	4,285
Interest payable	289,997	258,756
Net cash provided by operating activities	5,165,610	2,131,540
Cash flows from investing activities:		
Net (increase) decrease in restricted cash	(583,718)	40,964
Net increase in investments	(21,500)	(14,127)
Net increase in investment in partnerships and other companies	(135,204)	(706,954)
Net increase in notes receivable	(2,700,999)	(1,842,550)
Net increase in development in progress	(1,947,769)	(2,302,932)
Purchase of property and equipment	(695,305)	(63,425)
Net cash used in investing activities	(6,084,495)	(4,889,024)

*The accompanying notes are an integral part of these financial statements.*

EDEN HOUSING, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2007 AND 2006

	2007	2006
Cash flows from financing activities:		
Proceeds from (payment of) line of credit	400,673	(63,527)
Proceeds from the city of Hayward	-	2,110
Principal repayments – mortgages	(58,811)	(54,171)
Proceeds from long-term debt	1,535,942	3,136,695
Principal repayments – other long-term debt	(58,762)	(56,300)
Net cash provided by financing activities	1,819,042	2,964,807
Net increase in cash and cash equivalents	900,157	207,323
Cash and cash equivalents, beginning of year	1,565,638	1,358,315
Cash and cash equivalents, end of year	<u>\$ 2,465,795</u>	<u>\$ 1,565,638</u>
Supplementary information:		
Cash paid for interest (net of capitalized interest)	<u>\$ 244,187</u>	<u>\$ 255,242</u>
Noncash investing and financing activities:		
Note receivable donated by Josephine Lum Lodge, Inc.	<u>\$ -</u>	<u>\$ 5,275,956</u>
Property and equipment acquired with long-term debt	<u>\$ -</u>	<u>\$ 720,454</u>
Transfers of fixed assets and development in progress to affiliates:		
Monterey Road Supportive Housing Corporation	<u>\$ 1,575,844</u>	<u>\$ -</u>
Antioch Eden Rivertown L.P.	<u>\$ 1,045,687</u>	<u>\$ -</u>
Saklan Avenue L.P.	<u>\$ 704,948</u>	<u>\$ -</u>
Brentwood Senior Commons L.P.	<u>\$ -</u>	<u>\$ 3,295,000</u>
Transfers of long term debt to affiliates:		
Monterey Road Supportive Housing Corporation	<u>\$ 1,391,894</u>	<u>\$ -</u>
Antioch Eden Rivertown L.P.	<u>\$ 987,739</u>	<u>\$ -</u>
Brentwood Senior Commons L.P.	<u>\$ -</u>	<u>\$ 3,295,000</u>
Eden Baywood Apartments L.P.	<u>\$ -</u>	<u>\$ 800,000</u>

*The accompanying notes are an integral part of these financial statements.*

EDEN HOUSING, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2007 AND 2006

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

Eden Housing, Inc. (EHI) was formed as a California nonprofit public benefit corporation in 1968. Its mission is to build and maintain high-quality, well-managed, service-enhanced affordable housing communities that meet the needs of lower income families, seniors and persons with disabilities. Affordable housing includes multi-family rental housing, co-ops, supportive housing and first-time homeownership housing.

In addition, EHI owns real properties located in Hayward, California, which provides housing for low- and moderate-income individuals and families. These real properties are included in this financial statement as directly owned properties.

There are also certain entities, as described in Note 2, that are consolidated in these financial statements.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Principles of Consolidation

The consolidated financial statements include the accounts of nine subsidiaries, Eden Baywood Apartments LLC, Sara Conner Court LLC, Downtown River LLC, Brentwood Senior Housing LLC, Dublin Senior LLC, Grand/C LLC, Saklan Avenue LLC, Antioch Eden Rivertown LLC, and Villa Springs LLC, of which EHI is the sole member. All material intercompany balances and transactions have been eliminated from the consolidated financial statements.

Accounting Method

EHI uses the accrual method of accounting, which recognizes income in the period earned and expenses when incurred, regardless of the timing of payments.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

EHI reports information regarding its financial position and activities according to three classes of net assets, as applicable: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Affiliated Organizations

The board of directors of EHI also serves as the board of directors of Eden Housing Management, Inc. (EHMI), which provides property management services in connection with the operations of affordable housing and elderly housing projects, and Eden Housing Resident Services, Inc. (EHRSI), which develops and supports viable social services to the projects' residents. The board of directors of these corporations also serves as the board of directors of a number of other corporations. These corporations own affordable housing or are general partners of partnerships that own affordable housing. All board members serve without compensation.

EHI's financial statements do not include the assets, liabilities, revenue or expenses of the related organizations.

EDEN HOUSING, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2007 AND 2006

Revenue Recognition

Contributions

Contributions are recognized as revenue when they are unconditionally communicated. Grants represent contributions if resource providers receive no value in exchange for the assets transferred. Contributions are recorded at their fair value as unrestricted support, temporarily restricted support, or permanently restricted support, depending on the absence or existence of donor imposed restrictions as applicable. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. If donors' restrictions are satisfied in the same period that the contribution is received, the contribution is reported as unrestricted support.

Government Grants

Government grants or cost-reimbursement type contacts are deemed to be exchange transactions and, accordingly, are shown separately as government grants in the Statement of Activities.

Rental Income

Rental income for owned property is shown at its maximum gross potential. Vacancy loss is shown as a reduction in rental income. Rental units occupied by employees are included in rental income and as an expense of operations.

Development Fees

Developer fees for development of multi-family rental projects that are in development or under construction are recognized under the percentage-of-completion method. Developer fees for projects that are in the predevelopment or preconstruction stage, are recognized as revenue on the cash basis of accounting.

For certain projects which total fee during development is reduced due to potential unforeseen events, developer fees are recognized up to a total amount reasonably estimated when the events occur.

Cash and Cash Equivalents

Cash is defined as cash in demand deposit accounts as well as cash on hand. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash. Generally, only investments with original maturities of three months or less qualify as cash equivalents. Not included as cash and cash equivalents are funds restricted as to their use, regardless of liquidity, such as security deposits, replacement reserves, and operating reserves.

EHI occasionally maintains cash on deposit at a bank in excess of the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation insurable limit. The uninsured cash balance, including restricted cash, was approximately \$3,065,000 as of June 30, 2007. EHI has not experienced any losses in such accounts and believes that it is not exposed to any significant cash credit risk.

Restricted Cash

Restricted cash includes cash earmarked for specific development activities, reserves for repairs and replacements, operating reserves, and tax and insurance impound accounts.



EDEN HOUSING, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2007 AND 2006

Related-Party Receivables

EHI records an allowance for doubtful collections based on a review of outstanding receivables, existing economic conditions or specific situations. The allowance for doubtful collections was \$443,805 and \$600,000 as of June 30, 2007 and 2006, respectively (see Note 4).

Investments

Investments are stated at fair value.

Investment in limited partnerships and other companies is accounted for using cost or equity method of accounting depending upon the level of control.

Developments in Progress

EHI incurs costs during the predevelopment phase of each affordable housing project undertaken. Such costs include governmental fees, legal and consulting fees, and supplies needed to investigate the feasibility and arrange for the financing of each project under construction, as well as construction costs. EHI records these costs as assets (development in progress) and the costs are usually recoverable from the project; either from loan proceeds, limited partner contributions or residual receipts generated by project operations.

Any funds expended on a project that do not pass beyond the development stage are recorded as expenses when further activity on the project ceases.

Property and Equipment

Property and equipment are stated at cost of acquisition or construction, or at fair value if donated. The cost of maintenance and repairs is charged to expense as incurred. Depreciation is based on the straight-line method over the estimated useful lives of the assets. Construction in progress is not depreciated until the completion of the development.

The useful lives of the assets are estimated as follows:

Building and improvements	20 to 40 years
Furniture and fixtures	5 to 10 years

Deferred Costs

Loan fees associated with the acquisition and rehabilitation of the Villa Springs property and refinancing of the Grove Way property debt are stated at cost and amortized over the respective loan terms.

Income Taxes

EHI is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and the related California code sections.

Functional Expense Allocation

The costs of providing program services and supporting services are summarized on a functional basis in the statements of activities and statements of functional expenses. Accordingly, certain costs are allocated among program services and supporting services based on estimates of employees' time incurred and on usage of resources.

EDEN HOUSING, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2007 AND 2006

Reclassification

Certain amounts previously reported in the 2006 financial statements were reclassified to conform to the 2007 presentation for comparative purposes.

**NOTE 3 – INVESTMENTS**

Investments at June 30, 2007 and 2006 are summarized as follows:

	2007		2006	
	<i>Cost</i>	<i>Fair Value</i>	<i>Cost</i>	<i>Fair Value</i>
Common stocks	\$ 122,705	\$ 143,900	\$ 113,179	\$ 115,454
Corporate bonds	144,883	135,906	144,883	141,082
Mutual funds	176,095	199,693	163,464	171,300
	<u>\$ 443,683</u>	<u>\$ 479,499</u>	<u>\$ 421,526</u>	<u>\$ 427,836</u>

**NOTE 4 – RELATED-PARTY TRANSACTIONS**

Related-party receivables and payables are summarized as follows:

	2007	2006
Receivable:		
Developer fees	\$ 7,225,174	\$ 5,108,670
Partnership management fees	1,513,422	1,221,631
Ground leases	3,121,811	2,931,459
Advances for development costs	788,818	1,144,267
Advances to general partners	820,076	779,845
Operating advances to EHMI	1,325,471	1,118,249
Reserve funding fees	37,000	37,000
Accrued interest on developer fees	348,064	299,246
Accrued interest on ground leases	203,977	171,354
Accrued interest on notes receivable	556,093	122,542
Accrued interest – other	21,033	10,516
Total	<u>15,960,939</u>	<u>12,944,779</u>
Less: allowance for doubtful collections	<u>(443,805)</u>	<u>(600,000)</u>
	15,517,134	12,344,779
Less: current portion	<u>(2,938,627)</u>	<u>(2,920,790)</u>
Long-term portion	<u>\$ 12,578,507</u>	<u>\$ 9,423,989</u>

EDEN HOUSING, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2007 AND 2006

	2007	2006
Payable:		
Operating advances		
Eden Baywood L.P.	\$ 106,767	\$ 76,826
Eden Palms Associates	30,027	30,026
Eden Housing Management, Inc.	37,052	101,035
Others	33,117	349
Grants		
Central Valley Senior Housing Corporation	466,699	159,867
Sara Conner Court L.P.	25,000	25,000
Eden Housing Resident Services, Inc.	-	30,000
Palo Alto Alma	39,323	-
San Leandro Senior	30,000	-
Capital contribution		
Downtown River LLC	116,954	116,954
Total	<u>\$ 885,137</u>	<u>\$ 540,057</u>

Operating Advances to EHRSI

EHI had made operating advances to EHRSI through June 30, 2002 that totaled \$940,000. The board of directors decided to forgive these advances over a four-year period commencing July 1, 2002, and \$235,000 is included in contributions to affiliate at June 30, 2006. The board also decided that operating advances to EHRSI after June 30, 2002 would be treated as contributions to affiliate, and during the years ended June 30, 2007 and 2006, EHI made operating advances of \$67,322 and \$230,619, respectively.

Other Fees and Reimbursements

EHI receives various fees and reimbursements from related parties. These include development fees for the development of affordable housing, project cost reimbursements for costs advanced during the predevelopment stage of affordable housing projects, fees pursuant to partnership agreements that affiliated organizations have entered into, and repayment of advances made to affiliates. EHMI and EHRSI receive reimbursement for payroll costs advanced and receive management and service fees from the rental properties owned or controlled by EHI. Developer fees earned, including accrued interest, from affiliated entities were \$4,786,584 and \$3,325,662 for the years ended June 30, 2007 and 2006, respectively.

Partnership Management Service Contracts

EHI entered into partnership management service contracts with various affiliates. These affiliates pay EHI for management and administrative fees and during the years ended June 30, 2007 and 2006, EHI earned \$476,338 and \$380,800, respectively, from these entities.

Leases

EHI leases land to affiliates upon which affordable housing projects are operated. Lease payments are generally deferred until some future date, but revenue earned and recognized, including accrued interest, was \$228,355 and \$245,867 for the years ended June 30, 2007 and 2006, respectively.

EHI leases additional office space from Glen Eden Associates, an affiliate. Rental payments were \$33,184 and \$33,072 for the years ended June 30, 2007 and 2006, respectively.

EDEN HOUSING, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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Contributions to Related Parties

Contributions to related parties are summarized as follows:

	2007	2006
Eden Housing Resident Services, Inc.	\$ 110,322	\$ 495,619
Central Valley Senior Housing Corporation	306,832	159,867
Sara Conner Court L.P.	15,000	25,843
Palo Alto Alma	39,323	-
San Leandro Senior	30,000	-
Others	-	12,411
Total	<u>\$ 501,477</u>	<u>\$ 693,740</u>

Allowance for Doubtful Collections

EHI had made advances to various related parties in prior years, and for the years ended June 30, 2007 and 2006, \$- and \$500,000, respectively, were accrued for an allowance for doubtful collections against these advances.

EHI had made operating and development advances to SPM Housing Associates, a California limited partnership, through June 30, 2006 that totaled \$518,581. EHI decided to forgive \$118,581 of these advances and recognized an allowance for doubtful collections of \$100,000. In June 2007, SPM Housing Associates paid the full balance due of \$400,000.

**NOTE 5 – INVESTMENT IN PARTNERSHIPS AND OTHER COMPANIES**

EHI is a partner or member, and has financial interests in the following California limited partnerships and limited liability companies:

Percentage of Ownership	Name of Entities	2007 Financial Interest	2006 Financial Interest
99%	Baywood Associates	\$ 388,467	\$ 376,150
98.99%	C.G.A. Associates	329,134	400,000
.01%	Sara Conner Court L.P. <sup>(1)</sup>	92,054	349,265
.01%	Downtown River Associates, L.P. <sup>(1)</sup>	116,798	115,751
.01%	Eden Baywood Apartments L.P. <sup>(1)</sup>	70,768	70,768
99%	Huntwood Commons Associates	45,000	-
0.84%	Housing Partnership Securities, LLC	16,067	-
.0045%	Chesley Avenue L.P.	10,000	10,000
.01%	Dublin Senior L.P. <sup>(1)</sup>	(3,108)	(2,821)
.01%	Saklan Avenue L.P. <sup>(1)</sup>	(443)	
.01%	Brentwood Senior Commons L.P. <sup>(1)</sup>	-	(80)
		<u>\$ 1,064,737</u>	<u>\$ 1,319,033</u>

EDEN HOUSING, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2007 AND 2006

- (1) EHI intends to transfer its general partnership interest on the partnerships to an affiliate non-profit organization commonly-controlled by EHI's board of directors. Thus, the financial information of these partnerships is not consolidated in the attached financial statements, as would have been required by EITF 04-05, *Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights*, had EHI's control not been temporary. The general purpose combined financial statements of EHI and affiliates will however, include the full consolidation of the partnerships controlled by EHI's affiliates.

The financial position and activities of the limited partnerships and other companies are approximately as follows:

	2007	2006
Total assets	\$ 125,489,000	\$ 86,383,000
Total liabilities	104,497,000	72,010,000
Partners' and member's equity	20,992,000	14,373,000
Total revenue	3,617,000	5,611,000
Total expenses	6,597,000	3,389,000
Results of operations	(2,980,000)	(2,222,000)

#### NOTE 6 – NOTES RECEIVABLE

Notes receivable are summarized as follows:

	2007	2006
<u>Related Parties</u>		
Eden Housing Management, Inc. for management and resident support services, maximum amount of \$585,615. The note is non-interest bearing, unsecured, and matures December 31, 2008.	\$ 585,615	\$ 585,615
SPM Housing Associates, secured by a deed of trust, with interest at 4% per annum, and is due on June 1, 2043. Accrued interest receivable was \$126,544 and \$112,548 at June 30, 2007 and 2006, respectively.	350,000	350,000
Sycamore Square Housing Corporation, unsecured with interest at 3% per annum. Annual payments are required commencing November 2, 2002 to the extent of surplus cash, as defined, with principal and any unpaid interest due in full on November 30, 2031. Accrued interest receivable was \$16,200 and \$9,994 at June 30, 2007 and 2006, respectively.	207,037	207,037
Josephine Lum Lodge, L.P., unsecured with interest at 4.79% per annum. Annual payments are required commencing December 1, 2017 to the extent of surplus cash, as defined, with any unpaid principal and interest due in full on December 1, 2060. Accrued interest receivable was \$400,137 and \$-0- at June 30, 2007 and 2006, respectively. (See Note 10).	5,275,956	5,275,956 <sup>(1)</sup>
Josephine Lum Lodge, L.P., unsecured and bears no interest. Annual payments are required commencing July 1, 2025 to the extent of surplus cash, as defined, with any unpaid principal and interest due in full on November 1, 2060.	189,896	189,896

EDEN HOUSING, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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	2007	2006
Saklan Avenue L.P., maximum amount of \$2,800,000, secured by a deed of trust, bears no interest, and is due and payable 55 years from the date of the permanent loan closing or December 31, 2009, if the permanent loan closing does not occur.	1,500,000	-
Grand/C L.P., maximum amount of \$507,000, secured by a deed of trust and bears simple interest at 3% per annum. Annual payments are required commencing July 1, 2010 to the extent of residual receipts, as defined. Any unpaid principal and interest shall be due and payable in full on February 1, 2062. Accrued interest receivable was \$6,212 and \$-0- at June 30, 2007 and 2006, respectively.	497,000	-
Grand/C L.P., secured by a deed of trust and bears simple interest at 3% per annum. Annual payments are required commencing July 1, 2010 to the extent of residual receipts but only after the \$507,000 note above, as defined, has been repaid. Any unpaid principal and interest shall be due and payable in full on February 1, 2062. Accrued interest receivable was \$7,000 and \$-0- at June 30, 2007 and 2006, respectively.	560,000	-
Notes receivable (for general partner capital contributions or other advances) from the following affiliates are non-interest bearing and unsecured. On December 31st annually, any unrestricted funds of the affiliates, less a reasonable amount for corporate expenses held by the affiliates, shall be paid against the notes:		
Catalonia, Inc.	507,083	507,083
Eden Palms, Inc.	120,000	120,000
RVC Investment, Inc.	54,727	54,727
Stoney, Inc.	62,959	62,959
A Street, Inc.	54,956	54,956
Eden Investments, Inc.	137,780	137,780
Contra Costa County Housing Corporation	152,654	152,654
Notes receivable (for minimum capital investment advances on HUD properties) from the following affiliates are non-interest bearing and unsecured:		
San Leandro Supportive Housing	10,000	10,000
Manteca Senior	10,000	10,000
Union City Independent Living	10,000	10,000
Gardella Gardens Apartments	10,000	10,000
Edenvale Supportive Housing Corporation	9,410	9,410
Total – related parties	10,305,073	7,748,073
<i>Other Notes Receivable</i>		
Notes receivable from buyers of units in the La Solanita and La Solana projects, due only upon sale of the property to persons not qualifying as low-income families, with interest ranging from 8% to 10% per annum.	25,350	25,350
Notes receivable from buyers of units in the Tyrrell Gardens project, due only upon sale of the property to persons not qualifying as low-income families, with interest at 8% per annum (see Note 11).	60,200	60,200
Note receivable from Cal-Livermore, Inc., with interest at 5% per annum. Principal and interest repayable at some future date.	100,000	100,000

EDEN HOUSING, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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	2007	2006
Note receivable from Richmond Community Redevelopment Agency, maximum amount \$1,778,219, unsecured, with interest at 8% per annum, interest only monthly payments commencing August 1, 2006, and due on the earlier of June 28, 2008 or upon sale or transfer to another entity. As of June 30, 2007, accrued interest receivable and loan fees of \$128,999 and \$15,000, respectively., was added to the principal balance.	1,643,999	1,500,000
Total – other notes receivable	1,829,549	1,685,550
Total notes receivable	<u>\$ 12,134,622</u>	<u>\$ 9,433,623</u>

- <sup>(1)</sup> Included in income for 2006 is \$5,275,956 which arose from a real estate sale take-back note donated by an affiliate to EHI (see Note 10). Since the seller (an affiliate of EHI) was not the general partner (another affiliate of EHI) of the acquiring limited partnership, the seller recognized gain from sale, which is included in the seller take-back note, which was donated to EHI.

**NOTE 7 – DEVELOPMENT IN PROGRESS**

Development in progress consists of the following:

	2007	2006
Richmond Nursery	\$ 1,504,851	\$ 1,070,784
Manteca II	469,605	163,753
Arroyo Vista Housing	178,315	14,715
San Leandro Senior Housing	178,766	-
Healdsburg	103,941	7,703
Palo Alto Family Housing	100,153	12,726
Fremont Senior Housing	24,295	-
Lodi Single Family	9,996	-
Casa Grande	5,426	5,004
Eden Palms II	-	1,242,539
Antioch II	-	946,220
Saklan and North Lane	-	460,369
Hayward Citation	-	149,257
East Palo Alto Panhandle Site	-	4,447
Cypress Glen	49,058	-
Villa Springs	10,738	-
Eden Lodge	6,525	-
Others	57,138	-
Total development in progress	<u>\$ 2,698,807</u>	<u>\$ 4,077,517</u>

EDEN HOUSING, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 8 – PROPERTY AND EQUIPMENT**

Property and equipment is summarized as follows:

	2007	2006
Land:		
Leased to affiliates	\$ 1,941,947	\$ 1,941,947
Owned housing projects	923,875	923,875
Corporate office	272,687	272,687
Building and improvements:		
Owned housing projects	5,811,777	5,811,777
Corporate office	812,214	812,214
Furniture and equipment	473,702	460,103
	<u>10,236,202</u>	<u>10,222,603</u>
Less accumulated depreciation:		
Buildings and improvements	2,527,058	2,343,537
Furniture and equipment	421,254	397,657
	<u>2,948,312</u>	<u>2,741,194</u>
Construction in progress – new office building	848,677	-
Total property and equipment	<u>\$ 8,136,567</u>	<u>\$ 7,481,409</u>

**NOTE 9 – LINE OF CREDIT**

EHF has a \$2,500,000 secured revolving line of credit with Wells Fargo Bank, of which \$930,249 was outstanding at June 30, 2007. Bank advances on the credit line are payable in full by May 1, 2008 (maturity date) and bears interest determined in relation to LIBOR that may be continued by EHF at the end of the Fixed Rate Term applicable thereto so that all or a portion thereof bears interest determined in relation to the Prime Rate or to LIBOR for a new Fixed Rate term designated. As a sub feature of the line of credit, the bank agrees to issue standby letters of credit, where requested, not to exceed the aggregate of \$1,500,000. Any amount of undrawn letters of credit shall proportionately reduce the amount available to borrow on the line of credit.

**NOTE 10 – NOTES PAYABLE**

Notes payable, except demand notes payable, are secured by the property unless otherwise noted and are summarized as follows:

	2007		2006	
	<i>Interest Payable</i>	<i>Principal</i>	<i>Interest Payable</i>	<i>Principal</i>
<u>742 Harris Court</u> Citicorp Mortgage, Inc., maximum amount of \$248,500, due July 1, 2029, bears interest at 7.18% per annum, and requires annual payments of \$1,683.	\$ 1,337	\$ 223,429	\$ -	\$ 227,450



EDEN HOUSING, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2007 AND 2006

	2007		2006	
	<i>Interest Payable</i>	<i>Principal</i>	<i>Interest Payable</i>	<i>Principal</i>
City of Hayward (HOME) for predevelopment costs, due January 10, 2054, bears interest at 4.69% per annum from January 1, 2001. Annual payments are required commencing July 1, 2001, to the extent of surplus cash, as defined.	50,311	165,000	42,570	165,000
<u><i>Grove Way/Tenth and D Streets</i></u>				
Citicorp Mortgage, Inc., due June 1, 2029, bears interest at 7.00% per annum and is payable in monthly installments of \$2,754.	2,162	370,651	2,200	377,497
<u><i>Villa Springs</i></u>				
California Housing Finance Agency (CalHFA), due November 2023, bears interest at 8.40% per annum and is payable in monthly installments of \$17,103.	12,924	1,846,248	13,259	1,894,192
CalHFA, bears interest at 3.00% per annum and is due November 2009. Annual payments are required commencing November 1, 1994, to the extent of excess cash, as defined.	94,222	289,298	85,543	289,298
County of Alameda, due June 30, 2038, bears interest at 3.00% per annum.	414,833	927,000	387,023	927,000
State of California, Department of Housing and Community Development (HCD), due July 30, 2042, bears interest at 3.00% per annum.	880,463	1,981,676	821,013	1,981,676
<u><i>Stoney Creek Apartments</i></u>				
City of Livermore, bears compound interest at 3.00% per annum. The loan is to be repaid, to the extent EHI receives annual lease payments from the project.	399,954	813,114	364,622	813,114
<u><i>Washington Creek Apartments</i></u>				
City of Petaluma. The principal is due July 24, 2020, with any unpaid interest which accrues at 3.00% per annum.	163,200	320,000	153,600	320,000

EDEN HOUSING, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2007 AND 2006

	2007		2006	
	<i>Interest Payable</i>	<i>Principal</i>	<i>Interest Payable</i>	<i>Principal</i>
<u><i>Eden Palms II</i></u>				
City of San Jose (HOME Investment Partnership Program) for acquisition and predevelopment costs, maximum amount of \$1,275,000, and bears no interest. The loan was assigned to Monterey Road Supportive Housing Corporation, an affiliate, in September 2006.	-	-	-	1,253,770
<u><i>Antioch II</i></u>				
Antioch Development Agency, for the development of affordable rental housing, maximum amount \$1,683,990 of which \$225,590 is in the form of a forgivable CDBG loan, only \$1,458,400 bears simple interest at 3.00% per annum and is due on November 18, 2060. The loan was assigned to Antioch Eden Rivertown L.P., an affiliate, in October 2006.	-	-	-	720,454
<u><i>Richmond Nursery</i></u>				
City of Richmond, for acquisition and predevelopment costs, consisting of \$449,000 in CDBG funds and \$151,536 in HOME funds, bears simple interest at 3.00% per annum and due on September 22, 2008.	21,019	600,536	-	600,536
Lenders for Community Development, for the acquisition and development of affordable housing, maximum amount \$1,778,219, secured by general collateral assignment of non-real property assets, bears interest at 8.00% per annum, interest only monthly payments commencing August 1, 2006, and due on the earlier of June 28, 2008 or assignment to an affiliate. Repayment of the loan is guaranteed by the Richmond Community Redevelopment Agency. As of June 30, 2007, accrued interest payable and loan fees of \$128,999 and \$15,000, respectively, was added to the principal balance.	-	1,643,999	-	1,515,000

EDEN HOUSING, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2007 AND 2006

	2007		2006	
	<i>Interest Payable</i>	<i>Principal</i>	<i>Interest Payable</i>	<i>Principal</i>
<u><i>Grand/C L.P.</i></u>				
Redevelopment Agency of the City of Hayward, for the development of affordable rental housing, maximum amount \$507,000, bears simple interest at 5.10% per annum, interest only monthly payments commencing March 1, 2007, and due on the earliest of a transfer of the development or any portion thereof other than a transfer as permitted or approved by the Agency, or occurrence of a default, or February 1, 2022.	6,337	497,000	-	-
<u><i>General</i></u>				
Wells Fargo Community Development Corporation, in an original amount of \$1,000,000. Bears simple interest at 2.00%, interest paid quarterly with principal and any unpaid interest due in full January 2013.	5,000	1,000,000	5,000	1,000,000
<u><i>New Corporate Office/Office Building</i></u>				
Wells Fargo Community Development Corporation, bears simple interest at 2%, interest paid quarterly with principal and any interest due in September 2011.	2,500	500,000	-	-
Wells Fargo Bank, N.A., for the construction of commercial office space, maximum amount \$704,519, secured by deed of trust, bears interest at 6.70% per annum (if conversion occurs on or before the mandatory conversion date) or 1.75% plus applicable LIBO rate (if conversion does not occur by mandatory conversion date), and any unpaid principal and interest due and payable in full on June 20, 2008.	-	4,534	-	-
<u><i>Corporate Office/Office Building</i></u>				
Bank of the West for acquisition of property for corporate office at 409 Jackson Street, Hayward, due in September 2007. Monthly installments are \$3,159, with interest at 5.00%. The loan was paid-off in September 2007 and was replaced by a new loan with maximum amount of \$410,000 with a maturity date of September 25, 2012.	-	403,959	1,755	421,202

EDEN HOUSING, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2007 AND 2006

	2007		2006	
	<i>Interest Payable</i>	<i>Principal</i>	<i>Interest Payable</i>	<i>Principal</i>
Bank of the West for construction at the corporate office at 409 Jackson Street, Hayward, due in January 2008, with interest at the prime rate, adjusted every fifth year (4.01% at June 30, 2007 and 2006). Monthly installments are \$3,621.	-	25,068	224	66,587
<u><i>Demand Notes Payable</i></u>				
Payable to A Street, Inc., on demand or by December 31, 2051, with compound interest at 5.84% per annum.	- <sup>(1)</sup>	167,000	- <sup>(1)</sup>	167,000
Payable to Catalonia, Inc., on demand or by December 31, 2053, with compound interest at 6.36% per annum.	301,111	290,000	265,764	290,000
Payable to Chynoweth Housing, Inc., on demand or by December 31, 2055, and is non-interest bearing.	-	250,000	-	250,000
Payable to Corona-Ely Ranch, Inc., on demand or by December 31, 2052, with compound interest at 7.69% per annum.	- <sup>(1)</sup>	286,000	- <sup>(1)</sup>	286,000
Payable to Eden Investments, Inc., on demand or by December 31, 2055, and is non-interest bearing.	-	50,000	-	50,000
Payable to Eden Palms, Inc., on demand or by December 31, 2050, with compound interest at 6.36% per annum.	657,984	633,000	580,787	633,000
Payable to Ellis Lake Townhomes, on demand or by December 31, 2051, and is non-interest bearing.	-	79,000	-	79,000
Payable to Glen Berry, Inc., on demand or by December 31, 2052, with compound interest at 7.67% per annum.	- <sup>(1)</sup>	215,000	- <sup>(1)</sup>	215,000
Payable to Stoney, Inc., on demand or by December 31, 2051, with compound interest at 6.75% per annum.	- <sup>(1)</sup>	305,000	- <sup>(1)</sup>	305,000
Payable to Washington Creek, Inc., on demand or by December 31, 2051, with compound interest at 6.75% per annum.	- <sup>(1)</sup>	113,500	- <sup>(1)</sup>	113,500
Total	3,013,357	14,000,012	2,723,360	14,961,276
Less current portion	(30,260)	(2,641,353)	(22,438)	(114,968)
Long-term portion	\$ 2,983,097	\$ 11,358,659	\$ 2,700,922	\$ 14,846,308

EDEN HOUSING, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2007 AND 2006

(1) Accrued interest is being offset against partnership management fee income.

Principal payments on notes payable for the next five years are subject to changes in net cash flow and are estimated as follows:

2008	\$ 2,641,353
2009	669,733
2010	75,058
2011	81,419
2012	88,323

**NOTE 11 – PAYABLE TO CITY OF HAYWARD**

Funds due to the City of Hayward upon collection from homeowners are summarized as follows:

	2007	2006
Tyrrell Gardens (see Note 6)	\$ 60,200	\$ 60,200
Tyrrell Gardens	157,158	157,158
	<u>\$ 217,358</u>	<u>\$ 217,358</u>

**NOTE 12 – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets of \$32,244 for Tyrrell Gardens at June 30, 2005 were released from restriction during 2006. Included in contribution income for 2007 and 2006 were \$45,000 and \$255,000, respectively, of restricted contributions for the purchase of the limited partnership interests in Huntwood Commons Associates and C.G.A. Associates, respectively. The restrictions on these contributions were released in the year received.

**NOTE 13 – EMPLOYEE BENEFIT PLANS**

EHI established a 401(a) defined contribution pension plan effective July 1, 1992. Employees become eligible to participate in the plan after one year of service, are fully vested in three years and are not required to contribute to the plan. The contribution to the plan is determined on an annual basis by the board of directors. A maximum of 5% of covered wages could be contributed and \$53,064 and \$43,863 were contributed for the years ended June 30, 2007 and 2006, respectively.

EHI established a 401(k) profit sharing plan that was effective January 1, 1999. Employees become eligible to participate in the plan immediately on the first day of employment. Participants may contribute annually from 1% to 100% of their compensation, provided that maximum amount contributed is permitted by law. This plan is for employees' salary deferral only and EHI is not required to make contributions.

EHI also established a 403(b) defined contribution plan. This plan is for highly compensated employees' salary deferral and EHI is not required to make contributions.

EDEN HOUSING, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2007 AND 2006

**NOTE 14 – COMMITMENTS AND CONTINGENCIES**

EHI has committed to provide demand loans payable to three affiliates for the purpose of satisfying their net worth requirements. The non-interest bearing demand loans expire at the end of the respective partnerships and at June 30, 2007 are as follows:

	<u>Principal</u>
Eden Investments, Inc.	\$ 103,500
Huntwood Investment, Inc.	104,000

EHI has provided loan and operating deficit guarantees as well as indemnifications with regard to tax benefits projected for its various affiliates and projects. EHI will be responsible for repaying a loan if, when the loan becomes due, the respective affiliate or project does not make payment on the loan. EHI will cover operating deficits as needed up to a stated limit. EHI does not require any collateral or other security from its affiliates and projects related to these guarantees. A reasonable estimate of the outstanding operating deficit guarantees at June 30, 2007 amounted to approximately \$8,400,000, and outstanding loan guarantees were approximately \$71,000,000. In addition, EHI has guaranteed an aggregate amount in excess of approximately \$50,000,000 to the limited investors for tax credits and other deductions for various affiliated limited partnerships as of June 30, 2007. Management believes that the likelihood of funding a material amount of any of the guarantees is remote.

In connection with the development of affordable housing projects, which are owned by limited partnerships, EHI has acquired the options to purchase the projects at the close of the projects' 15-year compliance period.

**NOTE 15 – INCLUSIONARY HOUSING FEES**

Inclusionary housing programs are designed to increase the supply of affordable housing by requiring commercial developers to either make a percentage of housing units in new residential developments available to low and moderate-income households, or to provide a monetary subsidy (fee) to affordable housing developers to be used in project specific affordable housing developments. This subsidy is generally recognized as income when earned. In 2007, inclusionary housing fees of \$2,800,000 and \$2,000,000 were earned related to Saklan Avenue, LP and Grand/C Limited Partnership, respectively.

## **SUPPLEMENTARY INFORMATION**

EDEN HOUSING, INC. AND SUBSIDIARIES  
SCHEDULES OF FINANCIAL POSITION –  
OWNED AFFORDABLE HOUSING PROJECTS  
JUNE 30, 2007

	742 Harris Court	Grove Way and 10th/ D Street	Villa Springs	Total
<hr/>				
ASSETS				
Cash	\$ 884	\$ 12,025	\$ 6,254	\$ 19,163
Cash – restricted	12,839	71,241	110,495	194,575
Prepaid expenses and other receivables	3,636	5,245	18,175	27,056
Tenant security deposits	2,929	4,389	44,457	51,775
Property and equipment – net	351,583	184,769	3,875,314	4,411,666
Deferred costs - net	-	5,403	25,559	30,962
	<hr/>			
Total assets	\$ 371,871	\$ 283,072	\$ 4,080,254	\$ 4,735,197
	<hr/>			
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable and accrued expenses	\$ 13,821	\$ 209	\$ 8,492	\$ 22,522
Related-party payable	31,904	-	105,781	137,685
Tenant security deposits	2,653	4,097	45,683	52,433
Interest payable	51,648	2,162	1,402,442	1,456,252
Notes payable	388,429	370,651	5,044,222	5,803,302
Total liabilities	488,455	377,119	6,606,620	7,472,194
	<hr/>			
Net assets (deficit):				
Unrestricted	(116,584)	(94,047)	(2,526,366)	(2,736,997)
	<hr/>			
Total net assets (deficit)	(116,584)	(94,047)	(2,526,366)	(2,736,997)
	<hr/>			
Total liabilities and net assets	\$ 371,871	\$ 283,072	\$ 4,080,254	\$ 4,735,197
	<hr/>			



EDEN HOUSING, INC. AND SUBSIDIARIES  
SCHEDULES OF OPERATIONS –  
OWNED AFFORDABLE HOUSING PROJECTS  
YEAR ENDED JUNE 30, 2007

	<i>742 Harris Court</i>	<i>Grove Way and 10th/ D Street</i>	<i>Villa Springs</i>	<i>Total</i>
Income:				
Rental income, net of vacancy loss	\$ 32,246	\$ 124,466	\$ 559,044	\$ 715,756
Laundry and other	58	711	15,008	15,777
Interest income	131	82	6,147	6,360
Total income	<u>32,435</u>	<u>125,259</u>	<u>580,199</u>	<u>737,893</u>
Expenses:				
Salaries and wages	2,549	9,767	38,949	51,265
Payroll taxes and benefits	798	13,869	21,919	36,586
Office and maintenance costs	20,707	40,923	242,254	303,884
Professional services	3,400	9,260	33,788	46,448
Mortgage interest and carrying costs	17,527	26,168	162,885	206,580
Total expenses	<u>44,981</u>	<u>99,987</u>	<u>499,795</u>	<u>644,763</u>
Income (loss) from operations	(12,546)	25,272	80,404	93,130
Other expenses:				
Interest – deferred notes	7,740	-	95,939	103,679
Depreciation and amortization	6,957	15,506	150,471	172,934
Net income (loss)	<u>\$ (27,243)</u>	<u>\$ 9,766</u>	<u>\$ (166,006)</u>	<u>\$ (183,483)</u>

**Section E  
Developer Status**

Eden Housing is not involved in any bankruptcy or re-organization proceedings, and not subject to any pending action; Eden Housing is not presently debarred, suspended or prohibited from professional practice or working with any Federal, State, local or other public funding.

Certified by:

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Terese McNamee  
Chief Financial Officer

1/23/2009  
Date

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## **Section F Employment Policies**

*Below is Eden Housing's Equal Employment Opportunity section from the At Will Employee Handbook:*

### **Equal Employment Opportunity**

Eden Housing is an equal opportunity employer and makes employment decisions on the basis of merit. In accordance with applicable law, the company prohibits discrimination based on race, color, religion, creed, sex, marital status, age, national origin or ancestry, physical or mental disability, medical condition, veteran status, sexual orientation, citizenship status or any other consideration protected by federal, state or local laws. All such discrimination is unlawful. Eden Housing's commitment to equal opportunity employment applies to all persons involved in the operations of the company and prohibits unlawful discrimination by any employee of the company, including supervisors and coworkers.

To comply with applicable laws ensuring equal employment opportunities to qualified individuals with disabilities, Eden Housing will make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or an employee unless undue hardship would result. Any applicant or employee who requires an accommodation in order to perform the essential functions of the job should contact a director of the company and request such an accommodation. The individual with a disability should specify what accommodations he or she needs to perform the job. Eden Housing will conduct an investigation to identify the barriers that make it difficult for the applicant or employee to have an equal opportunity to perform his or her job. Eden Housing will then identify possible accommodations, if any, that will help to eliminate the limitation or barrier. If the accommodation is reasonable and will not impose an undue hardship, Eden Housing will make the accommodation. Eden Housing may also propose an alternative accommodation or accommodations.

Eden Housing will also make reasonable accommodations for conditions related to pregnancy, childbirth or related medical conditions, if requested with the advice of the employee's health care provider, as required by law.

If you believe you have been subjected to any form of unlawful discrimination, or if you are aware of an incident of discrimination involving another employee, please provide a written or verbal report to any director of Eden Housing. The report should be specific and it should include the names of the individuals involved and the names of any witnesses. Eden Housing will immediately undertake an effective, thorough and objective investigation and attempt to resolve the situation. The investigation will be completed and the determination made and communicated to you as soon as practical. Eden Housing will endeavor to protect the privacy and confidentiality of all parties involved to the extent possible consistent with a thorough investigation.

Applicable law also prohibits retaliation against any employee by another employee or by Eden Housing for reporting, filing, testifying, assisting or participating in any manner in any investigation, proceeding or hearing conducted by Eden Housing or a federal or state enforcement agency. Please report any retaliation to your supervisor or any other Eden Housing supervisor or any director of Eden Housing. Any report of retaliatory conduct will be immediately, objectively and thoroughly investigated in accordance with Eden Housing's investigation procedure outlined above. If a report of retaliation is substantiated, appropriate disciplinary action, up to and including discharge, will be taken.

If Eden Housing determines that unlawful discrimination has occurred, remedial action will be taken, commensurate with the severity of the offense. Appropriate action will also be taken to deter any further discrimination. Eden Housing will not retaliate against any employee for filing a complaint and will not knowingly permit retaliation by management employees or coworkers.

## **Section G Article 34 Issues**

Eden Housing has extensive experience in structuring our affordable housing developments to comply with and avoid issues related to Article 34 of the California Constitution, which requires that voter approval be obtained before any “state public body” develops, constructs or acquires a “low rent housing project.”

While a City or a Redevelopment Agency is a “state public body” under Article 34, not every affordable housing development is a “low rent housing project” subject to an Article 34 election. There is a specific exemption under the law for privately owned housing in which no more than 49% of the units are occupied by low-income persons. This is widely interpreted to mean that if the local agency restricts no more than 49% of the units in the development to low or very-low income households, regardless of whether another state or federal agency restricts more than 49% of the units, the development is not a “low rent housing project” and therefore complies with Article 34 without the need for an Article 34 election. Most of the cities in which Eden works employ this mechanism to avoid Article 34 elections for affordable housing developments.

Please see the following article written by M David Kroot, attorney with Goldfarb & Lipman LLP, a law firm which specializes in the practice of affordable housing law, for more information regarding Article 34.

## **Article 34 of the California Constitution**

By M David Kroot

December 1997

Article XXXIV of the California Constitution ("Article 34") requires that voter approval be obtained before any "state public body" develops, constructs or acquires a "low rent housing project." Article 34 raises a number of issues, addressed below, regarding a local agency's participation in the development of low- and moderate-income housing.

Because public agencies are often reluctant to undertake the delay, uncertainty and potential additional expense of a local election, the scope of the election requirement is the first topic discussed below. It is often possible to confine the agency's role in a housing development, or plan the development, so that no Article 34 election is required. This section then continues with a description of the required form of election, and discusses the relationship among Article 34, use of a redevelopment agency's Housing Fund, and satisfaction of a redevelopment agency's Project Area Housing Production Requirement.

### **A. Applicability of Article 34 to Redevelopment Agencies.**

A redevelopment agency is a "state public body" for purposes of Article 34. Cities, counties and housing authorities also fall within the definition of "state public body. As a result, if a redevelopment agency (or other public body) participates in development of a "low rent housing project" and that participation rises to the level of development, construction, or acquisition of the project by the agency, approval by the electorate pursuant to Article 34 is required for the project.

#### **1. Definition of "Low Rent Housing Project".**

Not all low-and moderate-income housing is a "low rent housing project."

For example, if a development is being developed, owned and operated by a non-profit corporation and the only public agency assistance is provided by a federal agency (such as an elderly housing development receiving a HUD 202 capital grant and no funding from a state or local agency), Article 34 authority is not required.

California statutory and case law permits development of many kinds of low-and moderate-income housing that will not be characterized as a "low rent housing project", and thus will not require Article 34 voter authorization.

To clarify the requirements of Article 34, the Legislature has enacted the Public Housing Election Implementation Law (Section 37000 et seq.). The legislation specifically exempts each of the following types of developments from the requirement of voter approval:

- a. Privately owned housing which is not exempt from property taxation (unless fully reimbursed to all taxing entities) or is exempt from property taxation pursuant to the provisions of Revenue and Taxation Code 214(f) or (g) (applicable to specified housing developments operated by non-profit entities), and in which not more than 49% of the units are occupied by low-income persons;

- b. Privately owned housing which is not exempt from property taxation by reason of any public ownership and is not financed with direct long-term financing from a public body;
- c. Housing that is intended for owner-occupancy (which may include cooperative or condominium ownership) rather than rental occupancy;
- d. Housing consisting of newly constructed, privately owned, one-to-four family dwellings not located on adjoining sites;
- e. Housing that consists of existing units leased by a state public body from a private owner;
- f. Rehabilitation, reconstruction or replacement of an existing low rent housing project, or a project previously or currently occupied by lower-income households; and
- g. Acquisition, rehabilitation, reconstruction or improvement of a low rent housing development subject to a contract for federal or state public body assistance for the purpose of providing affordable housing if the development maintains or enters into a contract for federal or state public body assistance for the purpose of providing affordable housing.

The California Supreme Court upheld the Legislature's general authority to adopt definitions applicable under Article 34 in California Housing Finance Agency v. Patitucci, 22 Cal. 3d 171 (1978). Because only a portion of the provisions listed above had then been enacted in the present form, only that portion of the listed provisions bears the Supreme Court's direct seal of approval.

Other types of public agency assisted housing development, although not statutorily exempted from the voter approval requirement, may still be exempt depending on their particular circumstances, such as the nature of the housing, the type and income mix of tenants, the nature of agency assistance, the degree of agency control over the development, and other factors.

## 2. Definition of "Develop, Construct or Acquire".

Not all public agency activities in connection with a "low rent housing project" can be characterized as development, construction, or acquisition of a low rent housing project. If a redevelopment agency or other public body were to construct housing directly, of course, its action would constitute development, construction, or acquisition. In addition, if an agency loans money for a project and the loan is conditioned on typical government agency requirements such as review and approval of plans, project financing, operation and maintenance standards and occupancy, the agency will generally be deemed to have developed or constructed the project.

For instance, in California Housing Finance Agency v. Elliott, 17 Cal. 3d 575 (1976), the California Supreme Court concluded that California Housing Finance Agency ("CHFA") activities in the course of making a loan for a project constituted "development" by a public body. Those activities included, among other things: assessment of economic feasibility, review of management plans, review of location, design and construction plans; restrictions on rent and occupancy; certification of tenant incomes on an annual basis; implementing financial standards; monitoring relocation requirements; inspecting buildings and records; supervising construction, operation and maintenance; and designation of a tenant grievance procedure. Government activities in connection with a "low rent project" more limited than

those undertaken by CHFA in Elliott conceivably could be interpreted as not constituting development. For instance, a loan for a project which does not involve the agency in review of plans for or operations of the project may not constitute development or construction of the project by the agency. However, that is by no means clear. "Development" may consist of merely imposing, as a condition of agency assistance, occupancy requirements which have the effect of making a project a "low rent project."

The Legislature has undertaken to define specific exclusions from the meaning of "develop, construct or acquire," although the California Supreme Court has not ruled on the validity of those sections. Pursuant to such legislation, the words "develop, construct or acquire" do not apply if the agency's activity is limited to any of the following:

- a. The agency provides financing secured by a deed of trust, or obtains title temporarily through foreclosure or a deed in lieu with the intent to resell to a private owner;
- b. The agency acquires land or makes improvements to land which it anticipates will be ground leased to a private owner prior to its development so long as:
  1. The land and improvements are not exempt from property taxation by reason of public ownership for more than five years after agency acquisition; or
  2. After five years the agency fully reimburses the affected taxing entities;
- c. The agency leases units from a private owner provided that the lease does not result in a decrease of property tax;
- d. The agency provides assistance to a private owner or occupant of existing housing which enables the occupant to live in decent, safe and sanitary housing at a rent he or she can afford;
- e. The agency provides assistance to a development prior to its becoming a low rent housing project without intending or expecting that the development will become a low rent housing project;
- f. The agency provides assistance and monitors construction and compliance with the conditions of assistance to the extent of:
  - (1) Carrying out routine governmental functions;
  - (2) Performing conventional activities of a lender;
  - (3) Imposing constitutionally mandated or statutorily authorized conditions accepted by the recipient of the assistance.

The last category listed is potentially the most widely applicable, but legally open to the greatest doubt.

This list is not exhaustive and does not authoritatively define development, construction or acquisition. In each individual case an agency must examine its role and the extent of its involvement to determine if those actions fall inside or outside the definition.



## B. Nature of Article 34 Election.

Where elections are held, local agencies usually seek general authority from the electorate to develop low income housing prior to identification of a specific project. For example, a typical Article 34 election might authorize construction of 500 units of "low rent housing" anywhere in the jurisdiction by the city (or county), its housing authority, its redevelopment agency, or other state public bodies.

The California Supreme Court has upheld this practice of "unit banking" in Davis v. City of Berkeley, 51 Cal. 3d 227 (1990). In that case, the plaintiffs challenged as too vague and indefinite the general authorization approach, but the court upheld the adequacy of two contested Berkeley ballot measures which authorized 200 and 300 units of housing respectively, without identifying its location, occupants, physical characteristics or dates of construction.

The practical effect of the Davis decision is to confirm that obtaining Article 34 ballot approval may be eased by holding elections before making commitments to individual sites, projects or funding.

## C. Limitation of Time For Article 34 Challenge.

Section 36000 et seq. requires that an Article 34-based challenge to a local or state agency's approval of (or funding commitment for) a housing development be brought within sixty days of the date of approval (or funding commitment). Given the questions about how specific fact situations may be affected by Article 34, this provides an important assurance, particularly where no election is held. Moreover, the Supreme Court in Davis appeared to recognize the Legislature's right to establish this statute of limitations period. This does not mean, however, that communities can completely ignore Article 34 and then rely on the sixty day statute of limitations with impunity. If the community did not have a reasonable basis to believe that a project fell under one of the statutory exceptions set forth above, a court may not allow the public agency to wilfully and knowingly violate Article 34 and then rely on the relatively short statute of limitations to prevent any substantively meritorious litigation challenge.

## D. Practical Issues of Structuring to Avoid Article 34 Election.

This subsection discusses how structuring a transaction to comply with Article 34 can affect a redevelopment agency's compliance with its Project Area Housing Production requirements as well as the requirement to expend the Housing Fund and produce very low and lower income units in proportion to community need.

For instance, in a typical example, a nonprofit developer may be planning to build a 100-unit development in which all the units will be occupied by very low income households, and which will receive an allocation of federal low income housing tax credits . In order to avoid the necessity for an Article 34 election, the nonprofit asks the agency to provide Housing Funds to the development, but to regulate only 49% of the units as very low income. The developer is willing to have the agency regulate the balance of the units so that they are affordable to median or moderate income households. By using this approach, it is the general consensus that the development would not be a "low rent housing project" because it would fall under the exemption described in subsection 2.a. above (i.e., it would be privately owned, exempt from property taxes only under Revenue and Taxation Code Section 214[g], with not more than 49% of the units required by the redevelopment agency to be occupied by lower income [or, in this case, very low income] households.)

Because only 49 of the units will be subject to a redevelopment agency regulatory agreement requiring them to be very low income, only those 49 units can be counted toward meeting the agency's Project Area Housing Production Requirement for very low income units. The balance can qualify toward the low- and moderate-income portion of the production requirement. This result may seem strange because all the units will in fact be very low income and will be subject to a thirty-year regulatory agreement under federal tax law. However, to meet Article 34 limitations, the agency can take credit for only 49 very low income production units and an additional 51 low- and moderate-income units.

In addition, a question arises regarding the redevelopment agency's obligation to use the Housing Fund to produce very low and lower income units in proportion to the very low and lower income housing need in the community. The redevelopment agency may be in the position of claiming that the other 51 units (if regulated) are meeting the community's moderate income need even though households above very low income will not be eligible to live in them. This is technically acceptable since the incomes and rents required for those units will not exceed the numbers for moderate income affordability, and the law provides only an income and affordability cap, with no floors for income or affordability. If the agency chooses not to regulate the additional 51 units, then it would only count the 49 very low income units as having been assisted with the Housing Fund.

As is obvious from the above discussion, the relationship between Article 34 and the CRL is highly dependant on specific fact situations and can be somewhat complex. Therefore, agencies should keep these relationships in mind when discussing how they wish to structure assistance to specific low- and moderate-income housing developments.



Response to the City of Lodi's  
Request for Qualifications for

# *Roget Park Affordable Housing Development Project*

Presented to: Joseph Wood, Community Development Department

Prepared by: Domus Development, LLC

January 23, 2009

January 23, 2009

Joseph Wood  
Community Improvement Manager  
City of Lodi Community Development Department  
221 West Pine Street  
Lodi, CA 95240

**Re: City of Lodi RFQ - Roget Park Affordable Housing Senior Project**

Dear Mr. Wood:

Domus Development, LLC (Domus) is pleased to submit the qualifications of our team for consideration by the City of Lodi in connection to its Roget Park Affordable Senior Housing Development Project.

The principals of Domus have developed hundreds of units of attractive and functional senior affordable housing throughout Northern California. Domus provides an integrated and balanced approach to development, with the financial resources and in-house expertise to successfully manage its projects from conception through property management. Our non profit development partner, Affordable Housing CDC (AHCDC), was established in 1992 and has developed and owns hundreds of affordable units in California. With a history of working together Domus and AHCDC have formed a cohesive partnership leveraging the resources and strengths of both organizations. Finally, the property would be managed by Domus Management Company.

The members of this team each have successfully carried forward a business practice centered on producing sustainable, community-building assets through inclusive and participatory means. We pledge to apply this same approach to all of our senior affordable housing projects.

Based on our review of the requirements for the Roget Park Affordable Senior Housing Development Project, we are excited about the possibility of being selected as a short-listed team for the subsequent Request for Proposal phase.

Should you have questions, please call (415) 856-0010 ext. 201 for Meea Kang.

Sincerely,

  
Meea Kang  
President

# *Contact Information*

## **Domus Development**

San Francisco Office:  
594 Howard Street, Suite 204  
San Francisco, CA 94105  
Ph: (415) 856-0100 ext. 201  
Fx: (415) 856-0264  
<http://www.domusd.com>

Irvine Office:  
9 Cushing, Suite 200  
Irvine, CA 92618  
Ph: (949) 923-7800  
Fx: (949) 585-0449

Contact:  
Meea Kang, President  
Em: [meea@domusd.com](mailto:meea@domusd.com)

Contact:  
Monique Hastings, Principal  
Em: [mhastings@newportpartners.com](mailto:mhastings@newportpartners.com)

Meea Kang and Monique Hastings are authorized to represent and sign on behalf of the Developer:

## **Affordable Housing CDC**

9 Cushing, Suite 275  
Irvine, CA 92618  
Ph: (949) 923-7815  
Fx: (949) 388-2158  
<http://www.ahcdc.com>

Contact:  
Joe Stalzer, Executive Director  
Em: [jstalzer@ahcdc.com](mailto:jstalzer@ahcdc.com)

## **Domus Management Company**

2405 S Stockton St, Suite 2  
Lodi, CA 95240  
Ph: (209) 365-9010  
Fx: (209) 365-9015  
<http://www.domusmc.com>

Contact:  
Cathy Metcalf, Vice President  
Em: [cathym@domusmc.com](mailto:cathym@domusmc.com)

# *Qualifications*

**Domus Development** has an extensive track record of successfully developing and managing complex community-based affordable housing developments. Our team is uniquely qualified to bring complex projects to fruition due to our background in affordable housing finance, high-density sustainable design, and community-based public/private partnerships. Domus has completed over 320 units of affordable housing and has another 250 units in pre-construction and another 300+ units in predevelopment. Of those 320 units, nearly half of those were senior housing.

Domus consists of a group of hands-on development specialists and financial managers with educational and professional backgrounds in housing finance, accounting, construction estimating, asset management and architectural design and urban planning. Our backgrounds enable us to provide informed leadership to the entire project team. We can also readily anticipate the needs of project team members and serve those needs promptly.

Domus was founded on the belief that everyone deserves decent housing. We pursue mixed-income and affordable housing development opportunities whenever possible. We also look for innovative development challenges such as mixed-use projects that place residents and services adjacent to one another. From its inception, Domus has focused on providing quality affordable senior housing and access to social services. Our experience, track record and commitment has earned the trust and confidence of funders, policy makers, elected officials and donors who continue to invest in our work with seniors.

Domus recently completed Lincoln Court Senior Apartments in Oakland. As Oakland's first affordable senior supportive housing complex, Domus developed the project in partnership with Self-Help for the Elderly. The project includes 82 affordable apartments, where 30% are reserved for extremely low income disabled/frail seniors, with a senior and computer-learning center just off its ground floor lobby. Free social service programs are available to all residents and to neighboring seniors. The programs are designed to empower residents to stay healthy and independent despite their frailty with the hope that residents can "age in place" and continue to live in their homes without being institutionalized prematurely.

Domus continues its commitment to sustainable growth by taking a comprehensive, multifaceted approach to development. We believe in developing and maintaining affordable housing near jobs and transportation. We embrace "green" building methods and technologies to improve and protect the local environment, enhance the quality of life in our communities, and build towards a more sustainable future. Our emphasis on attractive, functional design and solid construction results in quality homes that residents take pride in and want to take care of. All new Domus projects exceed Title 24 standards with many being designed to meet LEED certification.

We understand that sustainable green buildings have numerous economic and environmental benefits. A well designed building can dramatically reduce operating expenses as well as enhance the building's overall comfort, beauty and performance. Domus strives to develop buildings that will cost less to operate and will provide an exceptional interior environment that will be comfortable and will sustain the health and well being of its residents. Our sustainable building objectives are to:

- Optimize energy efficient systems
- Incorporate Solar Energy production
- Optimize building's thermal performance
- Incorporate natural day lighting
- Utilize recycled, sustainable building materials and practices

In order to achieve our development objectives, we will bring together experts from multiple disciplines from the start. By working together at key points in the design process, these participants can often identify highly attractive solutions to design needs that would otherwise not be found. In an integrated design approach, the mechanical engineer will calculate energy use and cost very early in the design, informing designers of the energy-use implications of building orientation, configuration, fenestration, mechanical systems, and lighting options.

Beyond building the right team, Domus is fully capable of obtaining the necessary funding to acquire, construct or rehabilitate this desperately needed affordable housing. Northland Village Apartments in Sacramento is the largest project financed by Domus to date. Northland Village is a HUD Section 8 property with 145 family units located in 32 separate buildings. Domus acquired Northland in March of 2005 with the goal of renovating the property while maintaining its affordability. The new improvements include a new community center with a manager's unit, as well as a computer room, two playgrounds and a basketball court targeted to the many children who live onsite. Construction was completed in the fall of 2007. Domus negotiated a 20-year HUD Section 8 contract renewal with significant rent increases and secured permanent financing from MHP, 4% tax credit equity, SHRA and US Bank. The total development costs are approximately \$25 million.

Domus has built successful relationships with local governments in a number of municipalities. Domus has developed a partnership-like relationship with the City of Pittsburg Redevelopment Agency (RDA) and Building Engineering Department. The Pittsburg RDA planned to develop the Entrata project itself, but hired Domus to build the project after the project was entitled. Our proven success record of managing this complicated project led the RDA to have Domus act as the RDA's "Agent for City" to manage all aspects of the redevelopment effort, including the environmental remediation, Housing Authority office tenant build outs and the off-site improvements surrounding the building.

Domus was also instrumental in revitalizing a blighted section along MacArthur Boulevard in Oakland. Due to the high profile nature of the site, Domus worked closely with Councilwoman Jean Quan of Oakland's 4<sup>th</sup> District as well as many neighborhood groups and community members to secure the necessary community support, local financing and entitlements to construct Lincoln Court.

## *Projects*

**Domus Development** has earned a reputation for developing innovative senior housing integrated with supportive social services. Domus' principals have developed thousands of units of attractive and functional affordable and mixed-use housing in the state. We retain experienced in-house staff that can manage the development process from project conception through property management. We possess a balanced approach to development and have the resources and expertise to make this project a success.





## OAK RIDGE SENIOR APARTMENTS



Domus' acquisition of Oak Ridge Senior Apartments prevented this 1986 project from converting to market-rate rents and preserved 35 units of essential affordable senior housing for the State.



**DOMUS**  
DEVELOPMENT

### Description:

Domus acquired Oak Ridge in order to substantially rehabilitate and preserve Oak Ridge as a low income senior development. Located within a residential neighborhood in Sonoma, the project is comprised of ten separate one-story buildings on approximately 3 acres. The project consists of 30 one bedroom and 5 two bedroom apartments. The rehabilitated facility consists of updated units for the seniors and an improved community space.

**SAN FRANCISCO OFFICE**  
594 Howard St, Suite 204  
San Francisco, CA 94105  
T 415-856-0010  
F 415-856-0264

**IRVINE OFFICE**  
9 Cushing, Suite 200  
Irvine, CA 92618  
T 949-923-7800  
F 949-585-0449

**LOS ANGELES OFFICE**  
333 S Grand Ave, 25th Floor  
Los Angeles, CA 90071  
T 213-943-1307  
F 213-943-1301

[www.domusd.com](http://www.domusd.com)



Address:	18800 Beatrice Drive Sonoma, CA
Affordable Units:	35
Project Value:	\$7.0 million
Non-Profit Partner:	Burbank Housing Development Corporation
Architect:	Gelfand Partners Architects
Financing:	USDA; California Department of Housing and Community Development; Sonoma County Redevelopment Agency; Sonoma County Housing Authority; Alliant Capital

Oak Ridge Senior Apartments is the acquisition and rehabilitation of 35 units of senior affordable housing. To prevent this at-risk property of converting to market rate rentals, Domus partnered with Burbank Housing to acquire and rehabilitate this beautiful property comprising of 10 buildings on over 3 rolling acres in Sonoma, California.

#### ROLES OF TEAM MEMBERS

Meea Kang was responsible for site acquisition, securing financing, architectural and pre-construction oversight, community outreach, partnership and contract negotiation. John Lowry of Burbank Housing participated in community outreach and oversaw the construction and property management coordination.

#### FINANCING STRUCTURE

Layered public and private financing including: tax exempt bonds and 4% tax credit equity

SOURCES		USES	
USDA Rural Development	\$1,432,000	Acquisition Costs	\$4,500,000
HCD - Multifamily Housing Program	\$2,000,000	Hard Costs	\$1,400,000
Sonoma County Redevelopment Funds	\$750,000	Soft costs	\$1,113,000
Sonoma County Fund for Housing	\$375,000		
Tax Credit Equity	\$2,075,000		
Deferred Developer Fee	\$125,000		
Other Cash / Reserves / GP Equity	\$256,000		
Total	\$7,013,000		

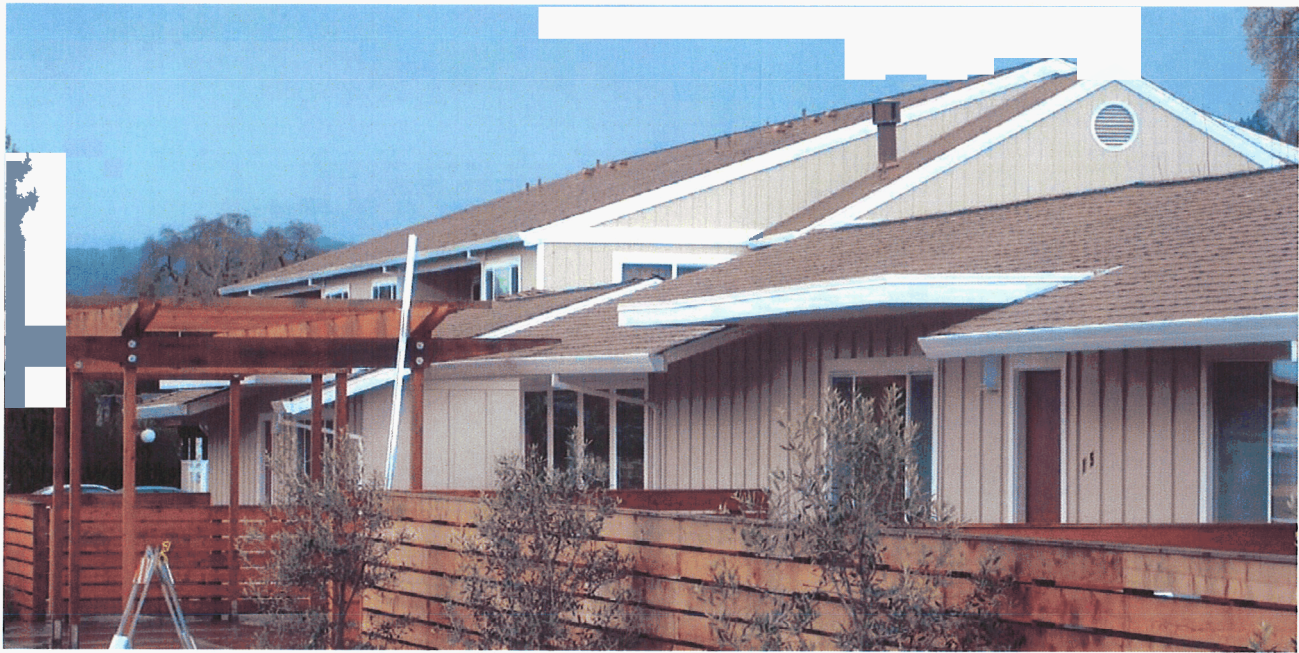
#### PUBLIC INVOLVEMENT PROCESSES

Domus and Burbank Housing worked extensively with the local redevelopment agency and the advisory committee which led to strong community consensus around the project.

#### GREEN BUILDING METHODS

- Exceeds Title 24 standards by 15%
- Installed Low E window
- New drought tolerant landscaping
- Utilized green building materials





When the owner of this at-risk property could not close a sale with another affordable housing developer, Domus was able to step in to make the deal work and preserve the project's affordability.



**DOMUS**  
DEVELOPMENT

**Description:**

Located in the picturesque City of Cloverdale in northern Sonoma County, Citrus Commons consists of 28 senior apartments and 4 family units. Domus acquired Citrus Commons in March of 2005 in order to rehabilitate the property and maintain its affordability. In addition to interior and exterior renovations, Domus added a manager's office to the property, as well as new laundry and community rooms for the tenants. Construction was completed May 2006.

**SAN FRANCISCO OFFICE**

594 Howard St, Suite 204  
San Francisco, CA 94105  
T 415-856-0010  
F 415-856-0264

**IRVINE OFFICE**

9 Cushing, Suite 200  
Irvine, CA 92618  
T 949-923-7800  
F 949-585-0449

**LOS ANGELES OFFICE**

333 S Grand Ave, 25th Floor  
Los Angeles, CA 90071  
T 213-943-1307  
F 213-943-1301

[www.domusd.com](http://www.domusd.com)



BEFORE

Address:	133-139 & 141 Healdsburg Avenue Cloverdale, CA
Affordable Units:	32
Project Value:	\$5.6 million
Non-Profit Partner:	Housing Corporation of America
Architect:	Garcia De Credico Sherman
Financing:	California Department of Housing and Community Development; City of Cloverdale; Sonoma County CDC; Wells Fargo Bank, NA; Alliant Capital

Citrus Commons, also known as Divine Senior Apartments, was an existing tax credit property serving low-income seniors and families. The original structures, built in 1970 and 1989, consist of 2 buildings, containing 28 one-bedroom/one-bathroom flats (designated for seniors), 4 two-bedroom/one and a half bathroom apartments (designated for families). The Project included interior renovation, new roofing, installation of solar panels, new landscaping, sidewalks, new laundry room as well as a new community center and manager's office. The community room offers a variety of programs targeted to seniors and families.

#### **ROLES OF TEAM MEMBERS**

The site program, financing plan, partnership and contract negotiation, and securing of financing were performed by Meea Kang. Nikki Alvarez provided project support and Gary Ahuna provided day-to-day project and construction management.

#### **FINANCING STRUCTURE**

The property was purchased in February 2005. The Developer secured a new 10-year Project Based Section 8 Contract for 20 of the units from the Housing Authority of the County of Sonoma, a residual receipts loan from the City of Cloverdale, a residual receipts loan from the County of Sonoma CBDG funds, Tax-Exempt Bond financing through ABAG, 4% tax credits and a loan from the California Department of Housing and Community Development Multi-family Housing Program.

SOURCES	
Tax-Exempt Bonds	\$1,300,000
Tax Credit Equity	\$1,800,000
MHP	\$1,800,000
City of Cloverdale	\$250,000
County of Sonoma (CDBG)	\$300,000
Developer Equity	\$150,000
Total	\$5,600,000

USES	
Acquisition	\$2,802,540
Hard Costs	\$1,200,000
Soft Costs	\$1,597,460
Total	\$5,600,000

#### **PUBLIC INVOLVEMENT PROCESSES**

Domus worked with the City of Cloverdale and attended several public hearings which led to strong community consensus around the project.

#### **GREEN BUILDING METHODS**

- Exceeds Title 24 standards by 15%
- Use of natural ventilation and daylight in common areas
- Solar panels power common area electricity
- Use of Green Building Materials
- New drought tolerant landscaping



## LINCOLN COURT SENIOR HOUSING



The project site was previously occupied by the Hillcrest Motel, a blighted property known for drug activity and prostitution. In partnership with neighborhood groups and the City of Oakland, Domus was able to transform this long-troubled site into a valuable addition to the community.

### Description:

Located in Oakland's vibrant Dimond District, Lincoln Court Senior Apartments provides 82 units of housing to extremely-low and very-low incomes seniors, many with disabilities. An on-site senior center with supportive services and a computer learning center, managed by Self-Help for the Elderly, allows residents to "age in place" gracefully. The three-story apartment building includes a central courtyard with lush landscaping and garden furniture, and incorporates green building components.

**SAN FRANCISCO OFFICE**  
594 Howard St, Suite 204  
San Francisco, CA 94105  
T 415-856-0010  
F 415-856-0264

**IRVINE OFFICE**  
9 Cushing, Suite 200  
Irvine, CA 92618  
T 949-923-7800  
F 949-585-0449

**LOS ANGELES OFFICE**  
333 S Grand Ave, 25th Floor  
Los Angeles, CA 90071  
T 213-943-1307  
F 213-943-1301

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<b>Address:</b>	2400 MacArthur Blvd Oakland, CA
<b>Affordable Units:</b>	82
<b>Project Value:</b>	\$19.5 million
<b>Non-Profit Partner:</b>	Self-Help for the Elderly
<b>Architect:</b>	YHLA Architects
<b>Contractor:</b>	J.H. Fitzmaurice, Inc.
<b>Financing:</b>	California Department of Housing and Community Development; City of Oakland; U.S. Bank; Federal Home Loan Bank; Alliant Capital

Located in the Oakland Hills, Lincoln Court has a unique topography as it is built into a hillside. The building was designed to complement both an urban and residential context. Along MacArthur Boulevard the building has wide sidewalks and is three stories, stepping back to two stories as it engages the single family neighborhood behind.

The former Hillcrest Motel plagued the neighborhood with crime for over 25 years. The City of Oakland utilized an anti-blight law to force its demolition. Domus purchased the property shortly thereafter in 2004, with public outreach well underway. The Team received overwhelming support for the proposed design from City Council and neighbors and moved quickly through the permit process. Within 12 months, the site was purchased, received entitlements, secured financing and began construction. Within 36 months, the project was completed and fully leased up and now is the anchor to the Dimond Neighborhood's revitalization efforts.

### ROLES OF TEAM MEMBERS

Meea Kang provided site acquisition, entitlements, community outreach, site program, financing plan, partnership and contract negotiation. Project Manager, Gary Ahuna provided day-to-day project management and construction management.

### FINANCING STRUCTURE

SOURCES	
US Bank	\$980,000
MHP	\$6,700,000
City of Oakland	\$3,500,000
AHP	\$600,000
Tax Credits	\$6,500,000
Developer Equity	\$1,220,000
Total	\$19,500,000

USES	
Acquisition	\$2,400,000
Hard Costs	\$12,300,000
Soft Costs	\$4,800,000
Total	\$19,500,000

### PUBLIC INVOLVEMENT PROCESSES

Domus worked extensively with the local community and the Dimond Improvement Association during the design development and construction phases of the Lincoln Court project. Domus held several open community meetings, which led to strong community consensus around the project. Domus also organized a large ground breaking ceremony as well as a "sneak preview" open house of Lincoln Court with refreshments when the project was substantially complete as a show of gratitude to the neighborhood and surrounding community. *(Please refer to the "Community Outreach" section for support letters.)*

### GREEN BUILDING METHODS

- Construction practices met the Oakland Green Building ordinance by reusing or recycling 50% or more of waste and debris.
- Exceeds Title 24 standards by 15%
- Use of natural ventilation and daylight in common areas
- Use of native plants and innovative landscape design lower water usage and prevent runoff
- Use of green building materials



## ENTRATA



The Entrata Mixed Use Development is located at the edge of Downtown Pittsburg, California. The project is a key element in the Downtown Pittsburg Area Redevelopment Plan. In a joint venture with the City of Pittsburg, Domus developed the 28-unit mixed-income project which is also home to the City's Housing Authority and a restaurant.



### Description:

Entrata was conceived by the City of Pittsburg as a "gateway" to the newly envisioned entrance to the Downtown. The project provides subsidized as well as market rate units targeting singles and small families. Domus entered into a Disposition and Development Agreement with the City in November of 2005. Domus secured financing and began construction in April 2006. Construction was completed in November of 2007.

**SAN FRANCISCO OFFICE**  
594 Howard St, Suite 204  
San Francisco, CA 94105  
T 415-856-0010  
F 415-856-0264

**IRVINE OFFICE**  
9 Cushing, Suite 200  
Irvine, CA 92618  
T 949-923-7800  
F 949-585-0449

**LOS ANGELES OFFICE**  
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Los Angeles, CA 90071  
T 213-943-1307  
F 213-943-1301

[www.domusd.com](http://www.domusd.com)



Address:	125 East Tenth Street Pittsburg, CA
Affordable Units:	13 Affordable; 15 Market
Project Value:	\$11.4 million
Non-Profit Partner:	Affordable Housing CDC
Architect:	Michael Woldemar & Associates, Inc.
Contractor:	Brown Construction, Inc.
Public Art:	Topher Delaney
Financing:	City of Pittsburg Redevelopment Agency; U.S. Bank; Alliant Capital



Entrata is a new mixed-use and mixed-income development located in Downtown Pittsburg, CA. Entrata consists of 24 one-bedroom units and 4 two-bedroom units over ground floor parking, retail and office space. 13 of the units are reserved for persons earning at or below 50% and 60% of area median income. The remaining residential units are rented at market-rate. The ground floor retail includes commercial space for a restaurant and new office space for the City of Pittsburg Housing Authority.

#### ROLES OF TEAM MEMBERS

Meea Kang negotiated the DDLA and ground lease, oversaw contractor selection, secured financing and contract negotiation. Project Manager, Christine Kiesling, coordinated with the Redevelopment Agency, managed consultants and provided the day-to-day construction management of the building, public art, offsite improvements, tenant space build out.

#### FINANCING STRUCTURE

Layered public and private financing including: tax exempt bonds and 4% tax credit equity

SOURCES	
US Bank	\$1,300,000
City of Pittsburg	\$8,900,000
Tax Credit Equity	\$1,200,000
Total	\$11,400,000

USES	
Hard Costs	\$9,000,000
Soft Costs	\$2,400,000
Total	\$11,400,000

#### PUBLIC INVOLVEMENT PROCESSES

Domus Development entered into a Development Agreement with the City of Pittsburg in November of 2005. The Redevelopment Agency owns the land and is leasing it to the Partnership for 75 years. The mixed-use development will serve as the permanent space for the Housing Authority. The City of Pittsburg/RDA initiated this development, conceived of its design and handled all architecture and entitlements. However, because the RDA did not want to act as the developer or property manager, they contracted with Domus to take over these responsibilities in a joint venture with the RDA. The construction financing for Entrata was closed in March 2006. Construction began in May 2006 and ended in November 2007.

#### GREEN BUILDING METHODS

- Exceeds Title 24 standards by 15%
- Use of natural ventilation and daylight in common areas
- Use of low VOC paints and green building materials
- On-site storm water retention

## NORTHLAND VILLAGE



**DOMUS**  
DEVELOPMENT

Prior to its acquisition by Domus, this neglected property was at risk of losing its rent subsidy, leading to the displacement of hundreds of residents. Without any financial assistance from the City of Sacramento, Domus was able to preserve this essential housing resource.

### Description:

Northland Village Apartments is a HUD Section 8 property with 144 family units located in 32 separate buildings. Domus acquired Northland in March of 2005 with the goal of renovating the property while maintaining its affordability. Improvements include two new community rooms - one with a manager's unit and the other with a computer learning center, two playgrounds and a basketball court targeted to the many children who live onsite. The rehabilitation was completed in December 2007.

**SAN FRANCISCO OFFICE**  
594 Howard St, Suite 204  
San Francisco, CA 94105  
T 415-856-0010  
F 415-856-0264

**IRVINE OFFICE**  
9 Cushing, Suite 200  
Irvine, CA 92618  
T 949-923-7800  
F 949-585-0449

**LOS ANGELES OFFICE**  
333 4 Grand Ave, 25th Floor  
Los Angeles, CA 90071  
T 213-943-1307  
F 213-943-1301

[www.domusd.com](http://www.domusd.com)



BEFORE

Address:	3730 Modell Way Sacramento, CA
Affordable Units:	144
Project Value:	\$22 million
Non-Profit Partner:	Housing Corporation of America
Architect:	Santos Prescott Associates
Contractor:	Precision Commercial GCC
Financing:	California Department of Housing and Community Development; US Department of HUD; US Bank; Alliant Capital

Northland Village Apartments is an existing Project Based Section 8 property serving low-income families. The original structure was built in 1968 and consists of 32 two-story buildings, containing 44 two-bedroom/one-bathroom flats, 49 three-bedroom/one and one-half bathroom town homes, and 51 four-bedroom/one and one-half bathroom town homes. The Project included full interior renovation, new roofing, and a façade replacement as well as a new community center and office building. The community room offers a variety of programs, including a nutrition program, after school activities and tutoring available to the more than 400 children living at the site. Additional amenities are geared toward families and include a laundry facility, multiple playgrounds and a resurfaced basketball court.

#### **ROLES OF TEAM MEMBERS**

The site program, financing plan, partnership and contract negotiation, and securing of financing was performed by Meea Kang. Nikki Alvarez provided project support, Gary Ahuna provided construction management and Jessica Watson assisted in arranging social services at the site.

#### **FINANCING STRUCTURE**

The property was purchased March 18, 2005. The Developer secured a new 20-year Project Based Section 8 Contract from the Department of Housing and Urban Development, Tax-Exempt Bond financing through the City of Sacramento RDA, 4% tax credits and a loan from the California Department of Housing and Community Development Multi-family Housing Program to finance the acquisition and rehabilitation of this property.

SOURCES	
Tax-Exempt Bonds	\$13,770,000
Tax Credit Equity (4%)	\$5,050,000
MHP	\$5,075,000
Developer Equity	\$1,540,000
Deferred Developer Fee	\$240,000
Total	\$25,675,000

USES	
Acquisition	\$12,700,000
Hard Costs	\$8,000,000
Soft costs	\$4,975,000
Total	\$25,675,000

#### **PUBLIC INVOLVEMENT PROCESSES**

Upon acquisition of this large complex, Domus worked with the City Councilperson Sandy Sheedy and local police to clean up the crime and strengthen police presence. Domus also held several community meetings using translators to help communicate with the large Russian population at the project.

#### **GREEN BUILDING METHODS**

- Exceeds Title 24 standards by 15%
- Use of natural ventilation and daylight in common areas
- New drought tolerant landscaping
- Utilized Green Building Materials



## LA VALENTINA



In 2007, the Sacramento Housing and Redevelopment Agency awarded Domus the opportunity to develop this underutilized site adjacent to the La Valentina Light Rail Station. Looking to reactivate the neighborhood, Domus is proposing affordable rental, live/work and retail space.



**DOMUS**  
DEVELOPMENT

### Description:

Working with David Baker + Partners, Domus plans to implement multiple green elements into the project. The project will optimize energy efficient systems and utilize rooftop photovoltaic solar panels and a solar hot water heating system to offset resident's energy consumption. Additionally, landscape elements, such as a green roof and a bio-swale at the rear parking lot help to retain, filter and clean street water runoff before entering the city's storm water system. The project's location also encourages residents to use public transit.

**SAN FRANCISCO OFFICE**  
594 Howard St, Suite 204  
San Francisco, CA 94105  
T 415-856-0010  
F 415-856-0264

**IRVINE OFFICE**  
9 Cushing, Suite 200  
Irvine, CA 92618  
T 949-923-7800  
F 949-585-0449

**LOS ANGELES OFFICE**  
333 S Grand Ave, 25th Floor  
Los Angeles, CA 90071  
T 213-943-1307  
F 213-943-1301

[www.domusd.com](http://www.domusd.com)



Address:	12th Street & E Street Sacramento, CA
Affordable Units:	54
Live/Work Units:	10
Parking Spaces:	72
Architect:	David Baker + Partners Architects
Financing:	Sacramento Housing and Redevelopment Agency; Tax Exempt Bonds; Low Income Housing Tax Credits



## KINGS BEACH HOUSING NOW



The Kings Beach *Housing Now* project will address the urgent need for affordable workforce housing in Kings Beach while helping to protect the natural beauty of Lake Tahoe and its surrounding environment. By supporting higher density infill development, the project will counter the environmental ills associated with sprawled development.

### Description:

The Project will be constructed in phases to accommodate relocation of existing residents. The new housing types will vary from studios to three bedroom units to address the varied needs for singles as well as large family housing. Domus is investigating the possibility of using panelized or other modular housing construction to deal with the short construction season and to reduce the impact of construction on site. Domus is also committed to utilizing green building technologies.

**SAN FRANCISCO OFFICE**  
594 Howard St, Suite 204  
San Francisco, CA 94105  
T 415-856-0010  
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9 Cushing, Suite 200  
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Prototype for sites within the Kings Beach Grid

Location:	6 Scattered Sites throughout the Kings Beach Grid North Lake Tahoe, CA
Affordable Units:	Approximately 100
Project Density:	25 units per acre
Commercial Floor Area:	15,295 SF
Architect:	YHLA Architects
Financing:	Placer County Redevelopment Agency; Low Income Housing Tax Credits; First Mortgage

While at other firms, Meea Kang managed the development of other unique senior properties.

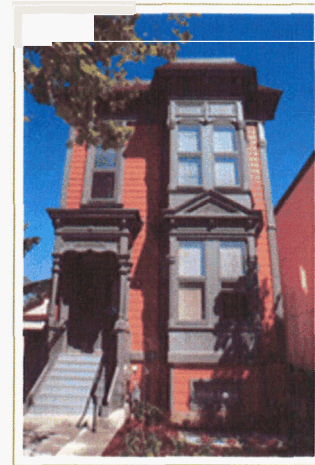
**Autumn Glow Alzheimer's Care Home**

654 Grove Street, San Francisco, CA

**Description of Project:**

Completed in 2001, Autumn Glow is a fifteen-bed facility providing 24-hour care for seniors with Alzheimer's and related dementia. The facility is targeted to serve low- to very-low income seniors with Alzheimer disease who are ambulatory or non-ambulatory.

No. of Beds:	15 Assisted Beds
Unit Mix:	6 shared rooms and 3 single rooms
Building Size:	2,382 Sq. Ft.
Other Amenities:	Activity room/Dining room 6 bathrooms on three levels (two per floor) 2 Community Rooms Commercial Kitchen Manager's Office Roof Top and Rear Gardens



**Affordability:**

This rental project is 100% affordable to disabled, low-income seniors 62 and older. All units are reserved for seniors earning 50% or less of area median income (AMI). The project has rental subsidies in place for 100% of the units.

**Role of Domus Principal:**

Meea Kang was the development consultant for Self-Help for the Elderly and was responsible for site acquisition, securing all financing, entitlements, contract negotiations, design and construction oversight.

**Financing:**

SF Mayor's Office of Housing	\$ 1,625,000
U.S. Department of HUD	\$ 574,700
Fundraising	\$ 200,000
Total:	\$ 2,399,700

**Operating Subsidies:**

U.S. Department of HUD	\$ 82,200
SF Department of Public Health	\$ 117,128

## Ping Yuen Center

420 I Street, Sacramento, CA

Size: .97 Acres  
No. of Units: 82 Affordable Rental Units  
Commercial Space: 10,000 Sq. Ft.  
Stories: 3



### Description of Project:

The Ping Yuen Center is located at the southwest corner of 5<sup>th</sup> and I Streets in downtown Sacramento. Ping Yuen is a part of the "Chinatown" block of Downtown Sacramento. It is strategically located near the Downtown Plaza mall, the Federal Courthouse and is across the street from the new 240 acre Railyard Transit Oriented Development (TOD). The new Railyard TOD will include approximately 10,000 new homes, a regional food market as well as a new regional Intermodal Transportation Facility.

Ping Yuen was originally built in the 1970's and was vacated in 1997, due to escalating maintenance and operating costs, This once vacant and dilapidated building was later transformed into 82 units of affordable senior housing, ground floor retail, a senior center and a Classical Chinese Garden. In 2004, the project was recognized as on of the "Best Mixed Use Projects" by the Sacramento Business Journal.

The development team received overwhelming support for the proposed design from the Mayor, the City Council and many diverse neighborhood groups and moved quickly through the public notification, financing and permit process. An advisory committee was set up to work closely with the community in planning for the housing and social services.

In order to minimize operations and maintenance costs, certain green building techniques were incorporated into the building and landscape design. The three-story apartment building includes a courtyard and exterior landscaping specific building materials were chosen in order to exceed Title 24 efficiency by more than 20%.

### Role of Domus Principal:

Meea Kang acted as the Senior Project Manager from concept through start of construction during her tenure at A.F. Evans Company. These duties including architectural planning and oversight, construction planning, community outreach, City approvals, obtaining all construction and permanent financing, all legal negotiations with the Redevelopment Agency.

### Financing:

City of Sacramento	\$ 4,300,000
US Bank	\$ 3,180,000
Tax Credits	\$ 5,500,000
Total:	\$ 12,980,000



# *Community Outreach*

The efforts of **Domus Development** to generate community interest and participation in the development process typically involve a series of focus groups and open community meetings during design development. We always seek the engagement and participation of community members and stakeholders in our development endeavors as a cornerstone to all of our developments.

## ***Kings Beach Housing Now, Kings Beach, CA***

One of the best examples of our attempt to engage the community is the outreach work we are currently doing in Kings Beach, a small Lake Tahoe town, as we attempt to bring affordable housing to an overwhelmingly underserved area. Over the past year, Domus has had countless meetings with local non-profits to better understand the needs of the Kings Beach community. We have participated in multiple public meetings to share our project goals and design concept with neighbors while listening to their feedback and concerns. We even sponsored the first housing survey conducted in the area in order to shape our project concept and its desired outcome. Domus has been able to educate the residents of Kings Beach about the need for housing and the best ways to fill this need while maintaining the beauty of Lake Tahoe. Due to our extensive involvement in Kings Beach, Domus has received overwhelming support for our project and is now in the process of receiving all the necessary project entitlements.

## ***Lincoln Court Apartments, Oakland, CA***

Domus Development worked extensively with the local community and the Dimond Improvement Association during the design development and construction phases of the Lincoln Court project. Domus held several open community meetings, which led to strong community consensus around the project. Domus organized a large ground breaking ceremony as well as a “sneak preview” open house of Lincoln Court with refreshments when the project was substantially complete as a show of gratitude to the neighborhood and surrounding community. Through our outreach and marketing efforts, Lincoln developed a significant “Interested in renting” list and received over 1,500 rental applications for 81 apartments.

See Attached Community Support Letters

**Domus Management Company** also instructs its site staff on building relationships with community service agencies such as the local police, fire and human services agencies. Developing a relationship with these agencies in the community assists in our goal to reach all portions of the surrounding communities. This outreach ensures that the local agencies are aware of the service the project provides in their community. Neighborhood Watch groups are developed wherever possible to further reach out to the community immediately surrounding the project to strengthen communication between neighbors as well as local police and fire departments.



*Deborah Roberto, Ph.D.*

---

*465 California St., Suite 435  
San Francisco, CA 94104*

*2100 Lakeshore Ave., Suite B  
Oakland, CA 94606*

5 April 2004

Community and Economic Development Agency  
City of Oakland  
250 Frank Ogawa Plaza, Suite 2114  
Oakland, CA 94412

Attn: Robert Merkamp  
Re: Lincoln Court

Dear Mr. Merkamp:

I live on Boston Avenue and the property formerly occupied by the Hillcrest Motel directly borders my property on two sides. Needless to say I have been directly impacted by the nuisance and blight at the motel, and have been very involved and interested in what was going to replace it after it was torn down. I have been very impressed with Domus Development and the project they proposed for the site. Prior to making an offer for the property, Meea Kang of Domus and Y.H. Lee the architect for the proposed project met with the community to discuss our needs as well as present their ideas for Lincoln Court.

Initially I must admit I was skeptical, but every step of the way Domus has worked with the community to develop a project that would enhance the neighborhood, which is quite refreshing considering the previous owners took money out of the community and not only gave nothing back, but made our neighborhood a dangerous as well as unpleasant place to live. As a matter of fact, when my skepticism was at its height Mr. Lee came into my back yard (where the property borders my yard on two sides) and discussed his ideas, as well as my needs and concerns and how they could be addressed.

The final project was unveiled on March 31<sup>st</sup> and I must say I am impressed. Mr. Lee is a brilliant architect and has come up with a design that I think will be the jewel in the crown of the Dimond neighborhood. Ms Kang has worked tirelessly to develop a project that would provide a needed service as well as be a welcome addition to the community; and I think she has succeeded. I truly believe that just as the Hillcrest Motel brought the neighborhood down, Lincoln Court will bring it up.

Few people are impacted as directly as I am on a day to day basis by this project, and I support the proposed project and the architectural design wholeheartedly.

Sincerely,

  
Deborah Roberto

Dimond Improvement Association  
P.O. Box 27355  
Oakland, CA 94602

May 6, 2004

Robert Merkamp  
Community and Economic Development Agency  
City of Oakland  
250 Frank Ogawa Plaza, Ste. 2114  
Oakland, CA 94612

Dear Mr. Merkamp,

On behalf of the Dimond Improvement Association, I am writing to express support for the proposed Lincoln Court senior housing that Domus Development has submitted for design review.

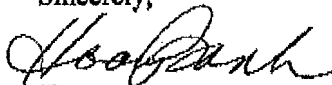
The Dimond Improvement Association (DIA) is a community-based volunteer group building communication among other Dimond groups and working with the City of Oakland and other organizations to undertake projects to make the Dimond neighborhood a vital, safe, and beautiful place for everyone: children and adults, business owners and residents, renters and homeowners.

This project will be an immense improvement over the now razed Willcrest Motel, which for more than two decades was a crumbling site of crime and violence that negatively impacted the safety and quality of life in the Dimond, particularly for nearby residents, schools, and businesses. DIA, along with other neighbors and groups, worked with the City of Oakland to improve conditions at the motel and to eventually shut it down.

Domus began communication with the neighborhood in October 2003 and has been very open to resident and merchant input through as many forms of communication as possible, including small and large community meetings, phone, and email. Moreover, Domus as well as the architect visited homes on Boston Avenue adjacent to the former motel to observe conditions and discuss designs to minimize adverse impacts of the project. In addition, Domus has always promptly submitted information and drawings for posting on the Dimond neighborhood website ([www.dimondnews.org](http://www.dimondnews.org)).

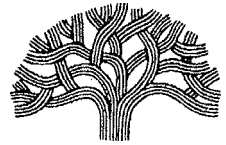
To reiterate, we believe senior housing would be appropriate for this location as well as a promising asset to the Dimond neighborhood. Thus, we strongly recommend your acceptance of the design for the proposed Lincoln Court,

Sincerely,



Hoang Le Banh  
Chairperson

# CITY OF OAKLAND



250 FRANK H. **OGAWA** PLAZA, SUITE 5313 • OAKLAND, CALIFORNIA 94612-2034

Community and Economic Development Agency  
Housing Development

(510)238-3502  
FAX (510)238-3691  
TDD (510)238-3254

February 28, 2006

Center City Development Corporation  
225 Broadway, Ste. 1100  
San Diego, CA 92101

To Whom It May Concern:

The City of Oakland is pleased to provide a letter of recommendation for Meea Kang and the Domus Development staff regarding this development opportunity in Downtown San Diego.

In November 2003, Domus Development competed in the City of Oakland's NOFA for Affordable Housing. Domus was awarded \$3.5 million in City funding for the development of Lincoln Court Senior Apartments, an 82-unit senior complex with supportive services. The financing plan for Lincoln Court has several components and includes; a Redevelopment Agency Loan and HOME Loan, proceeds from the sale of tax-credits and tax-exempt bonds, a loan from the California Department of Housing and Community Development Multi-Family Housing Program, and a loan from the Federal Home Loan Bank's Affordable Housing Program. Domus Development completed the entitlement phase, secured permanent financing, and closed the construction financing within one year of being awarded the NOFA funds. Construction is nearly complete and leasing is underway. The project is scheduled to convert to permanent financing this summer.

Domus Development has shown its expertise in understanding the complexity of affordable housing finance and construction and the ability to deliver an attractive project. Domus Development has proven to be a strong developer which embodies the spirit of "partnership" and works to better communities. The City of Oakland is pleased to recommend Domus to other localities.

Sincerely,

A handwritten signature in black ink that reads "Janet M. Howley". The signature is fluid and cursive, with the first name "Janet" being the most prominent.

Janet M. Howley  
Manager, Housing Development

cc: Sirena McCart

# *Property Management*

**Domus Management Company's** mission statement - dedicated to efficiently serving our clients through our commitment to strengthening communities - illustrates our commitment to partnering with owners, local agencies and governmental agencies to provide quality low income housing in an effort to ensure that the local community is proud to have the project located in their city.

Domus Management (DMC) is committed to treating residents with dignity and respect by providing low income housing that is not just safe, decent and sanitary, but housing that is at the same level or better than market rate housing. We are dedicated to providing low income housing that enables families to get ahead and to hopefully achieve the American dream of owning their own home, obtaining a higher level of education or just a secure, pleasant place to reside. This is why we do what we do,

Domus Management has implemented procedures that focus on preserving low income housing for families in need by ensuring the project remains in compliance so all funding sources remain in place. DMC's maintenance policies are designed to protect the quality of the projects we manage so they remain viable sources of low income housing for years to come.

Domus Management staff has many years of experience in leasing up new and rehabilitated affordable housing. Key DMC staff has successfully leased up over 800 units in the past five years and is well versed in utilizing various media sources to effectively advertise low income housing to the targeted areas of the community. DMC has over 40 years of combined experience in managing affordable senior housing and currently manages LOEL Center and Gardens 16 units of affordable housing in Lodi as well as an additional 178 units of affordable senior housing throughout the state of California.

DMC is well versed in working in partnership with local senior service agencies and providing site staff that conduct monthly activities that add to the well being of our senior residents, DMC has successfully obtained government approval for annual budgets and has effectively managed the properties within those budgets each year. Domus Management Company is well educated in all government funding requirements and specializes in affordable housing compliance.

DMC has two staff members that are certified in the low income housing tax credit program, one with over seven years of consistent annual certification, as well certifications in fair housing, HUD, and USDA RD. Domus Management Company has well trained staff on site and in the corporate office that are able to assist applicants and residents in completing all necessary documents in order to obtain the required income and asset verifications. DMC is very familiar with the procedures necessary to calculate maximum rent level, utility allowances and various required income limits.

## LIST OF CURRENT PROJECTS UNDER MANAGEMENT

PROJECT	CITY	#OF UNITS	REGULATORY AGENCY
CABRILLO PHASE I & II	Ventura	160	USDA FLH, Cooperative
CITRUS COMMONS	Cloverdale	32	TC, Bonds, MHP, PBV
THE ENTRATA	Pittsburg	28 2	TC, RDA Commercial
DEER 325	Kings Beach	36	Placer County RDA
LA BUENA ESPERANZA	King City	40	USDA FLH, Cooperative
LAGUNA SENIOR	Los Angeles	64	LIHTC, Bonds, MHP, SHIA, LACDC, LAHD
NORTHLAND VILLAGE	Sacramento	145	TC, Bonds, MHP, Sec. 8
SOUTHCREST	Sacramento	30	TC, HOME, Sec. 8
LINCOLN COURT	Oakland	82	TC, Bonds, MHP, Oakland RDA
NORWOOD AVENUE	Sacramento	28	TC, HOME, OFHP
LOEL CENTER & GARDENS	Lodi	16	CBDG
TOTAL UNITS		663	



**LODI OFFICE**  
 2405 S Stockton St, Suite 2  
 Lodi, CA 95240  
 PO Box 379  
 Lodi, CA 95241  
 T 209-365-9010  
 F 209-365-9015

**IRVINE OFFICE**  
 9 Cushing, Suite 200  
 Irvine, CA 92618  
 T 949-923-7800  
 F 949-585-0449

[www.dornusmnc.com](http://www.dornusmnc.com)

# Financing Experience

## AFFORDABLE HOUSING FINANCING EXPERIENCE

We have included in the previous section a list of comparable affordable projects currently or previously developed by our team. Our portfolio demonstrates the team’s capacity to successfully structure affordable housing projects.

Domus has finished development on five projects - 322 units, totaling over \$69 million. Each project had development costs from \$6 million to \$25 million. Domus has 500+ units in the pipeline with an estimated development cost of over \$100 million.

### Overall Funding Sources:

USDA	\$1,432,000
HCD - Multifamily Housing Program	\$15,562,000
County Funds	\$2,561,500
City Funds	\$4,460,000
Tax-Exempt Bonds	\$15,070,000
Tax Credit Equity	\$16,485,000
<b>TOTAL</b>	<b>\$55,570,500</b>

## FINANCIAL CAPACITY

Given the types of projects we have done and are currently doing, we have a broad range of financing relationships. Further, through Domus’ relationship to Newport Partners, our team has direct access to predevelopment and tax credit equity capital. Since 1998, Newport Partners has syndicated and delivered low income and historic tax credit equity capital in the total amount of \$655M+, supporting the production of over 9,900 units in 123 affordable projects within a 13 western state region.

**List of Current Public and Private Funders:**

Equity Partners:

Alliant Capital/Newport Partners

Lenders:

California Housing Finance Agency

US Bank

Wells Fargo and CCRC

East West Bank

Public Subsidy:

US Department of Housing and Urban Development

US Department of Agriculture – Rural Development

Federal Home Loan Bank

California Department of Housing and Community Development

California Debt Limit Allocation Committee

California Tax Credit Allocation Committee

County of Placer Redevelopment Agency

County of Sonoma CDC and Redevelopment Agency

Sacramento Housing and Redevelopment Agency

City of Cloverdale

City of Oakland, CEDA

City of Pittsburg Redevelopment Agency

# *References*

As a premier developer of affordable and mixed-use properties, Domus and its principals have developed relationships with outstanding leaders among finance and development professionals. Our work in many communities often leads to the formation of unique relationships and successful public/private partnerships. Below is a list of selected references.

## **EQUITY PARTNER:**

Tony Palaigos  
Alliant Capital  
21600 Oxnard Street, Suite 1200  
Woodland Hills, CA 92367  
(818) 668-2803

## **BANKING:**

Robert Lo  
Senior Vice President  
East West Bank  
415 Huntington Drive  
San Marino, CA 91108  
(626) 799-5700

John Chan  
Vice President – Real Estate Banking  
US Bank  
980 9<sup>th</sup> Street, Suite 1100  
Sacramento, CA 95814  
(916) 552-1857

Rebecca Koch  
Vice President Community Lending  
Wells Fargo Bank  
420 Montgomery Street, 11th Floor  
San Francisco, CA 94104  
(415) 396-0976

## **CITY REFERENCES:**

Bruce Kibby  
Community Development and Planning Director  
City of Cloverdale  
126 North Cloverdale Blvd.  
Cloverdale, CA 95425  
(707) 894-1721

Randy Starbuck  
Executive Director  
City of Pittsburg Redevelopment Agency  
65 Civic Avenue  
Pittsburg, CA 94565  
(925) 252-4180



Jean Quan  
City Council Member, District 4  
City of Oakland  
One Frank H. Ogawa Plaza  
Oakland, CA 94612  
(510) 238-7304

**STATE AND FEDERAL AGENCIES:**

Clarke Howatt  
Finance Director  
ABAG Finance Authority for  
Non-Profit Corporations  
101 Eighth Street  
Oakland, CA 94607  
(510) 464-7932

Unetha Gage Norman  
Supervisory Project Manager  
US Dept. of Housing and Urban Development  
Sacramento HUD Office  
925 L Street  
Sacramento, CA 95814  
(916) 498-5520 ext. 229

**LEGAL COUNSEL:**

Stephen G. Melikian, Esq.  
Jones and Hall  
650 California Street, 18<sup>th</sup> Floor  
San Francisco, CA 94108  
(415) 391-5780

Natalie Gubb, Esq.  
Gubb and Barshay  
50 California Street, 18<sup>th</sup> Floor  
San Francisco, CA 94108  
(415) 781-6600

**NON PROFIT PARTNERS:**

Anni Chung, CEO and President  
Self-Help for the Elderly  
407 Sansome Street, Suite 200  
San Francisco, CA 94111  
(415) 982-9171

Carol Cromar, Vice President  
Housing Corporation of America  
4220 West 2100 South, Suite D  
Salt Lake City, UT 84120  
(801) 328-3644

Beth Southorn, MACP, Co-Executive Director  
LifeSTEPS USA  
8331 Sierra College Blvd., Suite 220  
Roseville, CA 95661  
(916) 730-8721

# *The Team*

## **DEVELOPER**

At **Domus Development**, we believe that creativity and innovation are the keys to achieving better and more affordable housing in today's market. Domus specializes in complicated, infill affordable housing development and owns and manages all of their properties. Domus has expertise in all types of structured financing utilizing ground leases, air rights, mixed use and mixed income properties. Every project to date has consisted of a joint development or public/private partnership.

Domus' collaborative approach to managing projects ensures that many eyes review each deal, and that risks are mitigated. By effectively bringing together diverse members of the development community, from lenders, government agencies and service providers to architects, contractors and community groups, Domus is able to handle the many challenges that projects present, and make these developments a reality.

Domus has been assembled with the goal of managing all aspects of the development process from site acquisition, community outreach, design, entitlement, and financing through construction, lease up and operations. We also have a broad range of financing relationships with many outstanding entities as well as access to lines of credit and tax credit equity. To illustrate our experience, we have included a brief description of projects currently being developed by Domus, as well as a small sample of past projects developed by Meea Kang prior to forming Domus.

Domus is comprised of experienced real estate development professionals with a proven track record and superior expertise in all aspects of affordable housing financing. Domus and its principals have successfully financed and completed many complicated projects utilizing multiple layers of affordable housing and tax credit financing. All of our projects are unique and not only provide permanent affordable housing but are often the catalyst in revitalizing neighborhoods.

Meea Kang will take the lead of day-to-day management of the development of the subject site, delegating and collaborating with others. Monique Hastings will oversee equity and financing.

## **NON PROFIT PARTNER**

As the development partner and the managing general partner, once the tax credit limited partnership is formed, **Affordable Housing CDC (AHCDC)** is a California non-profit public benefit corporation formed in 1992. AHCDC's primary goal is to assist low and moderate income families and senior citizens obtain decent homes that are within their means. It pursues this goal through direct property development and ownership, social service coordination, arranging and providing financing for affordable housing, and offering a variety of real estate consulting services to public agencies and charitable organizations.

## **PROPERTY MANAGEMENT**

Domus' primary property management company is **Domus Management Company** (DMC). DMC was established in 2007 to provide efficient and effective affordable property management services. The company is committed to long-term asset management and resident services that ensure all projects contribute to their communities and serve the needs of low income families and seniors. The principals offer a combined total of 42 years of affordable property management experience.

# *Developer*

## **DOMUS DEVELOPMENT, LLC**

Meea Kang | President

### San Francisco Office:

594 Howard Street, Suite 204

San Francisco, CA 94105

Ph: (415) 856-0100 ext. 201

Fx: (415) 856-0264

### Irvine Office:

9 Cushing, Suite 200

Irvine, CA 92618

Ph: (949) 923-7800

Fx: (949) 585-0449

### Los Angeles Office:

333 S Grand Ave, 25th Floor

Los Angeles, CA 90071

Ph: (213) 943-1307

Fx: (213) 943-1301

<http://www.domusd.com>

## CREATING EXTRAORDINARY HOMES, BUILDING STRONGER COMMUNITIES

At Domus, we strive to create and preserve high-quality, innovative affordable housing. In fulfilling our mission, we are committed to using our development expertise and creativity to finance and build attractive, well designed assets that will promote economic and community prosperity.

Domus firmly believes in the importance of collaboration between the public and private sectors in order to create the highest quality product. We seek the broad support of community organizations and concerned neighbors during the early phases of project development to ensure a successful project. We endeavor to create sustainable communities that enhance the living experience of our residents while equally benefiting the neighborhood.

Domus Development, LLC (Domus) was formed in 2003 by experienced housing developers and investors with more than two decades of experience developing and financing multi-family residential developments.



**SAN FRANCISCO OFFICE**  
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San Francisco, CA 94105  
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## MEEA KANG, PRESIDENT

Meea Kang is a founding partner of Domus, bringing over seventeen years of professional experience to the field of residential development. Her background in art, design, architecture, construction and community development provides her with a rich source of insight and expertise.

Meea has worked in all aspects of real estate development and was responsible for over 1,300 units and \$200 million in capitalization prior to forming Domus. Her skills include site acquisition; deal structuring; oversight of the design and entitlement process; assembling complex, layered financing, including Low Income Housing Tax Credits, mortgage revenue bonds and HUD financing; closing construction and permanent financing with major institutional lenders; as well as managing projects during the construction and lease-up phases for residential and mixed use projects.

Prior to forming Domus, Meea was Senior Project Manager at AF Evans Company from 1998 to 2003. Meea led the production of over 1,100 units of multi-family housing in Northern California, including approximately 400 units of at-risk Section 8 housing.

### Education:

Masters of Architecture, UC Berkeley  
Design Build Studies, Yestermorrow School  
Master of Architecture Studies, UC San Diego  
Bachelor of Fine Arts, Cornell University

### Affiliations:

Urban Land Institute  
Non-Profit Housing Association  
Sacramento Housing Alliance  
SF Central Freeway Citizens Advisory Board  
Seam Design Foundation

### Prior Work Affordable:

PING YUEN, Sacramento, CA  
82 senior apartments and a senior center  
OCEAN BEACH TERRACE, San Francisco, CA  
85 senior apartments and neighborhood commercial  
GREENERY, Woodland, CA  
95 family apartments  
CASCADE VILLAGE, Sacramento, CA  
74 senior apartments  
CHARTER OAKS, Napa, CA  
75 family apartments  
PLAYA DEL ALAMEDA, Alameda, CA  
40 family apartments  
EAST BLUFF APARTMENTS, Pinole, CA  
144 family apartments  
AUTUMN GLOW RESIDENTIAL CARE HOME, San Francisco, CA  
15 assisted living beds  
MIRAIDO VILLAGE, San Jose, CA  
109 market rate and affordable apartments and neighborhood commercial  
PIEDMONT APARTMENTS, Oakland, CA  
250 family apartments  
BRITTON STREET FAMILY HOUSING, San Francisco, CA  
92 family apartments and child care  
JOHN KING SENIOR CENTER, San Francisco, CA  
91 senior apartments, senior center and childcare  
5199 MISSION, San Francisco, CA  
37 senior apartments

### Prior Work Market Rate:

WESTWOOD, Carmichael, CA  
183 Garden Apartments

### Awards:

PING YUEN  
Best New Mixed Use Project, 2004  
Sacramento Business Journal  
GREENERY  
Phoenix Rising Award, Best Renovation, 2001  
US Department Housing and Urban Development



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594 Howard St., Suite 204  
San Francisco, CA 94105  
T 415-856-0010  
F 415-856-0264

### IRVINE OFFICE

9 Cushing, Suite 200  
Irvine, CA 92618  
T 949-923-7800  
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F 213-943-1301

[www.domusd.com](http://www.domusd.com)

## JONG C. LIMB, PRINCIPAL

Jong Limb is a founding partner bringing over twenty years of experience in the equity investment and the asset management side of project development. In 1998, Jong founded Newport Partners, LLC, a company providing deal origination, due diligence services to investors in Section 42 transactions. Prior to forming his own company, Jong was President of Edison Capital Housing Investments. While at Edison, Jong developed the Affordable Housing Program, one of the largest direct investment programs in the country with equity investment programs totaling over **\$750** million in 250+ projects.

## MONIQUE R. HASTINGS, PRINCIPAL

Monique Hastings is a founding partner. Prior to forming Domus, Monique co-founded Newport Partners, LLC in 1998 to provide deal origination, due diligence, documentation and asset management services to investors in Section 42 transactions. Monique is responsible for investor reporting and overseeing the legal review process, as well as maintaining and enhancing existing client relationships. Prior to forming her own company, Monique managed the Boston office of Edison Capital (formerly East Coast Capital) and as the Director of Property Investment and Asset Management, she presided over \$200 million of equity closings and oversaw the asset management of over 16,000 units. Before joining Edison Capital, Monique was a Property Development Manager for Mission Land Company where she was responsible for lease negotiations and asset management of retail, commercial, residential and industrial projects. She previously had spent over four years in Public Accounting.



Education:  
Masters in Business Administration with an emphasis in Finance, University of San Diego  
Bachelors in Accounting and Economics, New York University

Education:  
Bachelor of Arts in Business Administration with an emphasis in Accounting, California State University, Fullerton

**SAN FRANCISCO OFFICE**  
594 Howard St, Suite 204  
San Francisco, CA 94105  
T 415-856-0010  
F 415-856-0264

**IRVINE OFFICE**  
9 Cushing, Suite 200  
Irvine, CA 92618  
T 949-923-7800  
F 949-585-0449

**LOS ANGELES OFFICE**  
333 S Grand Ave, 25th Floor  
Los Angeles, CA 90071  
T 213-943-1307  
F 213-943-1301

[www.domusd.com](http://www.domusd.com)

## JASON A. HOBSON, PRINCIPAL

Jason A. Hobson is a principal of Domus, bringing significant experience in real estate and finance legal matters to residential development. Prior to joining Domus, Jason was senior legal counsel and an officer of a national tax credit syndicator engaged in Low-Income Housing Tax Credit equity investments throughout the United States. Jason was also previously a senior attorney with a national law firm and a key member of its Affordable Housing and Community Development practice team, where he advised clients in the acquisition and financing of 100% affordable, mixed-income and mixed-use projects throughout the United States, including developments financed with Low-Income Housing Tax Credits, Tax-Exempt Bonds, New Market Tax Credits, Historic Tax Credits, Solar Tax Credits and other public subsidy programs. Most of the developments which Jason provided assistance involved numerous layers of complex, subordinate debt and regulatory requirements. Jason is a native Angeleno. In his spare time, he competes in Ironman Triathlon competitions.



**DOMUS**  
DEVELOPMENT

**SAN FRANCISCO OFFICE**  
594 Howard St, Suite 204  
San Francisco, CA 94105  
T 415-856-0010  
F 415-856-0264

**IRVINE OFFICE**  
9 Cushing, Suite 200  
Irvine, CA 92618  
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F 949-585-0449

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333 S Grand Ave. 25th Floor  
Los Angeles, CA 90071  
T 213-943-1307  
F 213-943-1301

[www.domusd.com](http://www.domusd.com)

### Education:

Juris Doctor, University of California,  
Hastings College of the Law

International Diploma,  
Waseda University (Tokyo, Japan)

Bachelor of Arts in International Relations  
with an emphasis in Economics, cum laude,  
California State University

### Affiliations:

American Bar Association Forum on  
Affordable Housing

Synergy Community Development Corporation

Southern California Association of  
Non-Profit Housing



## AMELIA DOLAN, AIA PROJECT MANAGER

Amelia has more than seven years of professional architecture and construction experience. Prior to joining Domus, Amelia worked with Ford Mazzola General Contractors as a construction project manager, responsible for all aspects of a project, from preliminary budgeting through job close out. Prior to that, Amelia worked as a project manager for William Duff Architects. As an architectural project manager she assisted in the design, permitting and construction of a wide variety of complex projects including residential, retail, restaurant and commercial. Through these positions she focused on creating cost effective yet innovative design solutions.

## NIKKI ALVAREZ, ASSET MANAGER

Nikki Alvarez has over five years of experience in the affordable housing industry assisting in the management of syndications and investments for Newport Partners a syndication and asset management firm. Her experience includes due diligence, annual site visits and compliance reviews, and managing relationships with property management agents and developers. Prior to working in affordable housing, Nikki worked for more than 10 years at a database development company, Raining Data Corporation (formerly Pick Systems). As the West Coast Regional Sales Manager, she was responsible for more than 200+ resellers in 11 states and Western Canada. She also managed an inside sales team of 13 people and was responsible for implementing new procedures to streamline the sales process.



Licensed California Architect

Education:

Bachelor of Architecture,  
Concentration in Construction Technology,  
Cornell University.

### SAN FRANCISCO OFFICE

594 Howard St, Suite 204  
San Francisco, CA 94105  
T 415-856-0010  
F 415-856-0264

### IRVINE OFFICE

9 Cushing, Suite 200  
Irvine, CA 92618  
T 949-923-7800  
F 949-585-0449

### LOS ANGELES OFFICE

333 S Grand Ave, 25th Floor  
Los Angeles, CA 90071  
T 213-943-1307  
F 213-943-1301

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## GARY AHUNA, PROJECT MANAGER

Before joining Domus Development, Gary spent 15 years in Construction and Facilities Management. In his four years at Domus, he has managed the construction and/or rehabilitation of over 275 units including projects such as Lincoln Court Senior Apartments, Citrus Commons Apartments, Northland Village Apartments and Southcrest Apartments.

## JESSICA WATSON, PROJECT ASSISTANT

Jessica is responsible for the day-to-day activities of the San Francisco office. She also assists with various aspects of the development process including due diligence oversight, community outreach, marketing, web design and graphic design. Prior to joining Domus, Jessica was the Accounting Assistant for Cavnac & Associates, one of San Diego's premier commercial insurance brokerage firms. She has also taken many continuing education courses focus on graphic design and multimedia studies.



Education:  
University of Arizona  
Bachelors in Political Science

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T 415-856-0010  
F 415-856-0264

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## WARREN ALLEN, ACQUISITIONS DIRECTOR

Prior to joining Domus, Mr. Allen served as Controller for a \$15 million division of a multinational plastics manufacturing firm in Southern California. Warren previously spent four years with a national tax credit investment and syndication firm, serving as Manager of Investment Analysis.

## JANICE LUO, CONTROLLER

Janice has more than 20 years of experience in accounting and financial analysis. She is responsible for daily and strategic management of general accounting functions, A/R, A/P, financial reporting, insurance and banking. Additionally, she manages the quarterly reviews and annual audits of financial statements with external auditors and coordinates the preparation of tax returns and other required state, local, and property and tax filings.

Prior to joining Domus and Newport Partners, Janice was the Assistant Controller for Payton Technology Corporation, sister company of Kingston Technology. She was responsible for all aspects of financial operations.



Education:  
Masters in Business Administration,  
with an emphasis in Finance,  
University of Southern California  
Bachelors in Business Administration,  
California State University, Fullerton

Education:  
Masters degree in Business  
Administration from the University of California,  
Irvine and has been a licensed CPA for more  
than 10 years

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594 Howard St, Suite 204  
San Francisco, CA 94105  
T 415-856-0010  
F 415-856-0264

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9 Cushing, Suite 200  
Irvine, CA 92618  
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F 213-943-1301

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# *Non Profit Partner*

## **AFFORDABLE HOUSING CDC, INC.**

Joe Stalzer | Executive Director

9 Cushing, Suite 275

Irvine, CA 92618

Ph: (949) 923-7615

Fx: (949) 388-2158

<http://www.ahcdc.com>

## Affordable Housing CDC *Statement of Activities*

Affordable Housing CDC, Inc. (AHCDC) is a California non-profit public benefit corporation formed in 1992. The organization has been granted tax exempt 501(c)(3) status by the IRS and State of California.

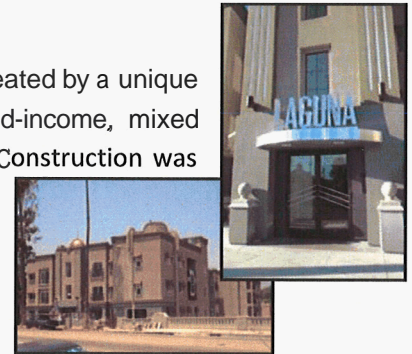
**AHCDC's primary goal is to assist low and moderate income families and senior citizens obtain decent homes that are within their means.** It pursues this goal through direct property development and ownership, social service coordination, arranging and providing financing for affordable housing, and offering a variety of real estate consulting services to public agencies and charitable organizations.

The organization is currently emphasizing three significant issues facing the affordable housing community:

- Preserving affordability in existing properties at risk of increased rents due to expiring use restrictions
- Expanding the supply of quality rental housing that enhances local communities through conscientious design principles and collaboration with local government
- Partnership with established service organizations to expand the supply of service-enriched housing for special needs segments of the population

AHCDC is addressing these issues through property acquisition, financial restructuring, and asset management advisory services. Currently, AHCDC owns and operates: 1) Laguna Senior Apartments; 2) Bixel House; 3) Monte Alban Apartments; 4) Tulare Apartments; and 5) Gateway Mixed-Use Apartments.

**Laguna Senior Apartments, Hollywood, CA.** The Laguna Senior Apartments was created by a unique collaboration with Project New Hope to serve seniors with HIV/AIDS in a mixed-income, mixed population setting. It contains 53 one-bedroom units and 11 two-bedroom units. Construction was completed in June 2007. Demand for the property is strong and all units were leased within 90 days of completion. The development offers a range of on-site social services such as computer training classes and exercise classes, and coordinates specialized third-party services necessary to its special needs residents.



**Bixel House, Los Angeles, CA.** Bixel House is a four-story brick building in Los Angeles' Central City West neighborhood. The building provides 77 units serving very low income households who receive HUD rent subsidies through a project-based Housing Assistance Payments Moderate Rehabilitation Program (HAP) Contract. Previously at risk of conversion to market rate housing, the property is now undergoing a substantial rehabilitation to ensure that it continues to provide quality affordable housing in its gentrifying downtown Los Angeles neighborhood.

**Monte Alban Apartments, San Jose, CA.** Monte Alban Apartments was acquired in December



2006 to ensure that it continues to serve low income families in California's expensive Silicon Valley market area. Long-term affordability restrictions previously imposed by HUD financing had expired, and the project was at risk of sale and conversion to market rate housing, which could have displaced the 192 lower income families who reside at Monte Alban. Following the acquisition of the property by AHCDC and The John Stewart Co., the property was substantially renovated utilizing a combination of tax-exempt bond financing and equity from 4% low income housing tax credits.



**Tulare Apartments, Tulare, CA.** This 250 unit development includes four properties on scattered sites throughout Tulare County: Alder Apartments (64 units – Porterville, CA), Evergreen Apartments (41 units – Porterville, CA), Tulare



Apartments (97 units – Tulare, CA), and Woodlake Apartments (48 units – Woodlake, CA). The properties were originally developed under the US Dept. of Agriculture's rural housing development program and many of the residents continue to receive rental subsidies from the USDA. In partnership with the PAM Companies, AHCDC acquired the four separate properties and combined them into a more efficient portfolio using a common financing plan with a tax-exempt bond loan, USDA financing, and equity from

4% low income housing tax credits. An extensive renovation of the properties is now underway with completion anticipated in December 2008. The development team will invest \$5.25 million to substantially upgrade the existing buildings and provide new site drainage systems, accessibility modifications, railings, windows, and HVAC as needed.

**Entrata Mixed-Use Apartments.** The Entrata Mixed-Use Apartments was developed in collaboration with Domus Development and the City of Pittsburg. Construction was completed in September 2007. This mixed-use complex includes 10,000 square feet of ground floor retail space designed to revitalize the aging urban center of Pittsburg, and includes office space for the city's Housing Authority. On upper floors, the development includes 28 one-, two-, and three-bedroom apartments serving mixed income families. 13 of the 28 units will be affordable to families earning less than 60% of median income while the remaining units are available at market rates.





AHCDC

Board of Directors



## AHDCDC Board of Directors



The organization's Board of Directors is comprised of experienced professionals who have extensive affordable housing, corporate finance, and administrative capabilities. The Board members' collective experience includes the following:

- Underwriting and placement of more than \$260 million for affordable multifamily developments and self-help single family developments, enabling the development of more than 200 properties.
- Structuring and negotiating over \$400 million of complex low income housing and historic tax credit partnerships for hundreds of properties located throughout the United States.
- Extensive relationships and experience with public agencies, grant and funding programs for housing development, and rental assistance programs.

## Joseph A. Stalzer

Founding Board Member  
Executive Director

Joe Stalzer serves as Executive Director of Affordable Housing CDC. He has extensive experience in a variety of Corporate Finance roles, ranging from Treasury Management and Financial Planning & Administration to Operations. Over the past 12 years he has been responsible for developing financial strategies and supervising financial operations staff for a range of firms engaged in mortgage lending, affordable housing finance, and banking.

Joe was previously Treasury Manager for Westec Security Group, the US subsidiary of Secomerica, a large Japanese holding company. In that capacity he was responsible for developing investment strategy and managing a \$270 million investment securities portfolio. He also supervised a 25 person treasury department staff engaged in accounts receivable, payment processing and collections.

Prior to joining Westec, Joe served in a variety of corporate finance positions, including Treasurer of Medallion Mortgage Co. He also held various financial analysis and operations positions with Community Bank, First Interstate Bancorp, and Coast Federal Bank. Joe was retained on a consulting basis by SAMCO, a large affordable housing lending consortium, to create a portfolio management system which tracked asset performance required for institutional investor reporting. This early involvement with affordable housing lending led directly to his interest in organizing AHDCDC.

Joe earned a Bachelor of Science degree in Finance from Long Beach State University.

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## David C. Nahas

Founding Board Member  
Chief Financial Officer

David Nahas is President of Veloce Partners, Inc., an affordable housing development and real estate finance advisory firm. He was previously Vice President - Investment Banking in US Bancorp Piper Jaffray's Public Finance Group, with responsibility for structuring tax-exempt bond financing for affordable multifamily housing. He has extensive experience working with both for-profit and non-profit developers of low income housing tax credit projects, as well as non-profit sponsored assisted living and multifamily housing facilities.

Over the past 15 years, David has provided tax credit equity investment exceeding \$150 million and financing exceeding \$260 million for more than 250 affordable developments located throughout the United States.

David was previously Acquisitions Director for Edison Capital, Edison International's financial services subsidiary. In that capacity, he was responsible for negotiating low income housing tax credit investments throughout the nation for the firm's affordable housing unit. David previously served as Vice President and Chief Lending Officer for SAMCO, an affordable housing lending consortium comprised of more than 100 financial institutions. SAMCO was an FHA, FannieMae, and FreddieMac approved lender. His primary responsibilities included loan underwriting and funding, secondary marketing, and asset management.



Corporate  
financial  
management and  
coordination of  
diverse functional  
departments;  
experienced  
managers  
production staff.

Prior to joining SAMCO, David was employed by Coast Federal Bank and participated in the oversight of CoastFed Properties, its real estate development subsidiary. He was also a Vice President of Deseret Pacific Mortgage. He earned an MBA from the University of Southern California, and is a Certified Public Accountant, Real Estate Broker, and General Building Contractor. He serves on the housing advisory committees for the Cities of San Juan Capistrano and San Jose, California.

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## James Nardini

Founding Board Member  
Secretary

James Nardini serves as Manager of After Sales for Porsche Cars North America (PCNA). James has been involved with arbitration of disputes, incident investigations, and warranty compliance - and works closely with the European manufacturer's parent on system integration and compliance issues. Prior to his position with PCNA, James served as Warranty Manager for Isuzu Motors.

---

## Jonathan D. Parrish

Board Member

Jonathan Parrish is the Director of Community Development, Western Region for FNMA.

Jonathan is responsible for Fannie Mae's community development activities via their American Communities Fund (ACF) which invests debt or equity in housing developments that support neighborhoods and community revitalization efforts.

Prior to his position with FNMA - Jonathan was the Director of Strategic Growth & Development for Parsons Corp., a leading international engineering and project management company. In this capacity, he was responsible for coordinating new business development activities among various Parsons business units, including government, infrastructure, and commercial project divisions. Within the U.S., Parsons is an active participant in numerous community development projects including construction oversight for major public facilities, school districts, and military housing revitalization.

Prior to joining Parsons, Jonathan was Investor Relations Director for Edison Capital, with responsibility for establishing and maintaining relationships with various Fortune 500 companies invested in Edison's low income housing tax credit partnerships. He previously served as Acquisitions Director for National Equity Fund, a nationally-recognized non-profit syndicator of affordable housing developments and affiliate of Local Initiatives Support Corporation.

While with NEF, Jonathan was responsible for developing a \$70 million statewide investment program, NEF's national investor relationship program, and structuring more than \$260 million of investment equity in over 40 limited partnerships.

Jonathan earned an MBA from the University of Southern California, and continues his involvement with the university as a guest lecturer and undergraduate student mentor.



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## Chad D. Jaeger

Founding Board Member  
Vice President

Chad Jaeger is the National Sales Manager for Sabare USA overseeing North, Central and South American Operations and Client relations.

Chad calls upon vendors such as Target, JCPenney, Wall-Mart Brazil, Wall-Mart Mexico along with a host of others to sell home textiles. Sabare is a manufacturer & purveyor of home textiles and goods based in India. Previously, Chad had managed retail and merchandise operations for a national retailer for over ten years. Chad has had exposure to all aspects of the retail environment in operational, buying office, and store settings. Chad has received recognition for merchandise planning, marketing program design, sales achievement, and profitability.





# Places To Call Home

Spring 2007

## Rehabilitation:

- Monte Alban Apts, San Jose, CA (acquisition rehab)

## Closing Soon:

- 77 SRO units in downtown Los Angeles, At Risk
- Tulare "4", rehabilitation of 4 USDA properties in the Central Valley

## Under Construction:

- Laguna Sr. Apartments
- Gateway Mixed-Use

**AHCDC's fundamental goal is to provide people decent homes that are within their means.**

The organization is now placing primary emphasis on three significant issues facing the affordable housing industry:

- the increasing supply of existing properties facing a potential loss of affordability due to expiring use restrictions
- the desire of established property owners to dispose of portfolio properties (which are frequently seen as lagging in future growth potential but often serve the most needy residents)
- the large supply of properties currently owned by for-profit investor partnerships that require a change of ownership, recapitalization, or financial restructuring due to tax and accounting considerations or expiration of low income housing tax credit compliance periods

## Contact Us:

[www.ahcdc.com](http://www.ahcdc.com)

[jstalzer@ahcdc.com](mailto:jstalzer@ahcdc.com)

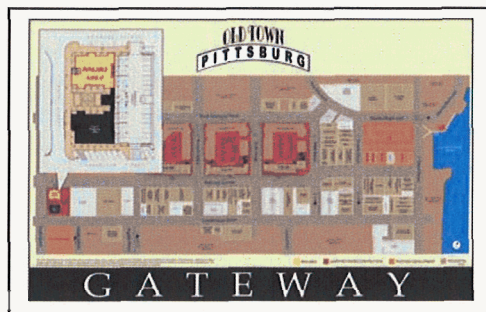
A summary of AHCDC's developments

## Laguna Sr. Apartments, Hollywood, CA

Completing construction, the Laguna Sr. Apartments is a collaboration with Project New Hope (PNH). Consisting of 64 units with 53 one bedrooms, and 11 two bedrooms, residents over 55 will share 23 units with residents with HIV/AIDS.



## Gateway Mixed-Use, Pittsburg, CA



Under construction, and in development with Domus Development and the City of Pittsburg. New construction of a mixed-use complex, comprising 10,000 square feet of retail and twenty eight, one-, two- and three-bedroom apartments in which 13 will be affordable to families earning less than 60% of median income.

# *Property Management*

## **DOMUS MANAGEMENT COMPANY**

Cathy Metcalf | Vice President

2405 S Stockton St, Suite 2

Lodi, CA 95240

Ph: (209) 365-9010

Fx: (209) 365-9015

<http://www.domusmc.com>

## DEDICATED TO EFFICIENTLY SERVING OUR CLIENTS THROUGH OUR COMMITMENT TO STRENGTHENING COMMUNITIES

Domus Management Company ("DMC") was established in 2007 to provide efficient and effective property management services, specializing in affordable housing properties. DMC also manages homeowner associations and market rate properties, including commercial components. These services include accurate and timely financial and management reporting, and superior maintenance procedures that identify the properties short term and long term physical needs in an effort to ensure the complexes receive superior maintenance both inside and out. Detailed screening is performed on all applicants and residents to ensure any applicable government, state and/or local requirements are met initially and on an on-going basis.

The principals and executive members of DMC offer a combined total of over 40 years of affordable housing property management experience, including Section 42, Rural Development, HCD and HUD projects. And, with offices located in Lodi and Irvine, California this provides a base for both Northern and Southern California coverage.

DMC's employee training program and effective supportive supervision ensure all properties are managed by informed, motivated and empowered staff members who care about the property they are entrusted to oversee and its most valuable asset, our residents.



DMC is committed to long-term asset management and resident services that ensure all housing complexes, especially those subsidized by government programs, contribute to their communities and partner with agencies and other area community services that specialize in serving the needs of low income families and seniors. DMC focuses on providing all owners with every aspect of affordable property management with experienced assistance in interacting with all major federal, state and local government agencies, easily provide all required documents as well as producing timely and realistic budgets, coordinate and conduct all necessary maintenance and capital repairs, produce excellent inspection results, and positive annual return to all owners.

DMC also offers innovative and practical solutions to challenging lease ups and marketing activities. Our experience gives us the ability to effectively lease-up properties on time with screened qualified residents.

DMC is an affiliated company with Domus Development, LLC an affordable housing developer with offices in San Francisco and Irvine, California. The principals of Domus Development have over 40 years of affordable housing experience.

**LODI OFFICE**  
2405 S Stockton St, Suite 2  
Lodi, CA 95240  
PO Box 379  
Lodi, CA 95241  
T 209-365-9010  
F 209-365-9015

**IRVINE OFFICE**  
9 Cushing, Suite 200  
Irvine, CA 92618  
T 949-923-7800  
F 949-585-0449

[www.domusmc.com](http://www.domusmc.com)

## OUR PEOPLE

**EDWARD B. GRUNDMAN** is the Managing Director of Domus Management Company ("DMC"). Mr. Grundman has over twenty years of experience in affordable housing starting from the ground up. Mr. Grundman began his affordable housing career as a Maintenance Manager and worked in various other positions in management including President of a company with over 5,500 units of low income housing. His extensive property management experience of over 25 years enables him to lead DMC to achieve excellence. Mr. Grundman's vast knowledge of affordable housing regulations, physical asset maintenance and resident retention allows DMC to be a premier affordable housing management company.

**CATHY M. METCALF** is Vice President of Asset Management of DMC with over seven years of affordable property management experience including day-to-day operations and resident services while overseeing over 5,500 units of affordable housing throughout the state of California. Ms. Metcalf has extensive training in various government programs including certifications in the LIHTC program, USDA Rural Housing, HUD and Fair Housing. Ms. Metcalf has a Bachelor of Arts degree in Art History from the University of California, Los Angeles.

**SHELLY L. WILLIAMS** is Controller of DMC with ten years of experience in the affordable housing arena. This experience includes the responsibility and oversight of an accounting staff of 25 processing accounts payable, accounts receivable, and payroll for over 5,500 housing units. Other responsibilities included the review and release of monthly, quarterly and annual financial reports, coordination of audit and tax return preparation and reporting responsibilities to owners and investors. Ms. Williams has attended Delta College.

**MEEA KANG** is the President and co-founder of Domus Development, LLC ("Domus") based in San Francisco, California. Domus was formed by Ms. Kang and Newport Partners, LLC. Ms. Kang has over seventeen years of experience in the field of housing development including design, architecture, construction and community development. Since Domus' start in 2003, Ms. Kang has overseen the development or rehabilitation of five properties consisting of 321 units of affordable family and senior housing with four projects in the pipeline for 2008/2009 starts. Ms. Kang has a Bachelor of Fine Arts from Cornell University and a Master of Architecture from the University of California, Berkeley.

**JONG C. LIMB** is the President and founder of Newport Partners, LLC based in Irvine, California. Mr. Limb has been involved with the tax credit industry since 1988, serving as President for one of the largest direct corporate tax credit investment programs in the country. Mr. Limb formed Newport in 1998, sourcing tax credit investments on behalf of institutional investors and providing consulting services for developers of affordable housing projects. Prior to forming his own company, Mr. Limb developed the Affordable Housing Program, one of the largest direct investment programs in the country with equity investment program totaling over \$750 million in 250+ projects. Mr. Limb has a bachelor degree in Accounting and Economics from New York University and an MBA with an emphasis in Finance from the University of San Diego.

**MONIQUE HASTINGS** is Vice President and co-founder of Newport Partners, LLC and is responsible for the investment execution process including due diligence, negotiation, and closing of investment transactions. Prior to forming her own company, Ms. Hastings managed the office of a large institutional investor and in that capacity she presided over \$200 million of equity closings and oversaw the asset management of over 16,000 units. Along with over fifteen years of affordable housing experience, Ms. Hastings has a Bachelor of Arts degree in Business Administration with an emphasis in Accounting from California State University, Fullerton and is a licensed California real estate broker.



**LODI OFFICE**  
2405 S Stockton St, Suite 2  
Lodi, CA 95240  
PO Box 379  
Lodi, CA 95241  
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F 209-365-9015

**IRVINE OFFICE**  
9 Cushing, Suite 200  
Irvine, CA 92618  
T 949-923-7800  
F 949-585-0449

[www.domusmc.com](http://www.domusmc.com)



## REFERENCES

### HUD SACRAMENTO

**Ms. Robin Thompson**  
650 Capitol Mall  
Sacramento, CA 95814  
(916) 498-7396

### USDA – RURAL DEVELOPMENT

**Mr. Michael Carnes**  
3530 Orchard Court  
Visalia, CA 93277  
(559) 734-8732 ext. 106

### SACRAMENTO HOUSING & REDEVELOPMENT AGENCY

**Mr. Butch Treadwell**  
630 I Street, 1st Floor  
Sacramento, CA 95812  
(916) 440-1399 ext. 1229



### CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

**Ms. Rose Guerrero**  
915 Capitol Mall  
Sacramento, CA 95814  
(916) 654-6340

### AFFORDABLE HOUSING CDC

**Mr. Joe Stalzer**  
275 Cushing, Suite 275  
Irvine, CA 92618  
(949) 923-7815

**LODI OFFICE**  
2405 S Stockton St, Suite 2  
Lodi, CA 95240  
PO Box 379  
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## *Financial Capacity*

The most recent financial statements for **Domus Development** and **Affordable Housing CDC** are attached.



## **DOMUS DEVELOPMENT**

Domus Development, LLC “Domus” formed in 2003, is currently comprised Meea Kang in partnership with MNJ Development, LLC whose members are also the sole members of Newport Partners, LLC, a large national tax credit equity provider and investor asset management company.

Newport provides oversight and capital to Domus as well as provides all necessary guarantees as Newport Partners, LLC and holds the majority of the asset base.

Newport Partners, LLC (“Newport”), formed in 1998, is a full service tax credit syndication conduit for institutional investor clients. We provide a variety of services including the acquisition, underwriting, closing and asset management of both low-income housing and historic tax credit transactions.

The principals of Newport Partners have over 40 years of experience in structured finance and have participated in over \$1.2 billion of equity investment in real estate tax credit transactions.

Newport combines the speed and flexibility of a small shop with the financial strength provided by our strategic partnership with other financial partners. We are committed to long-term strategic relationships and distinguish ourselves by having an ongoing stake or involvement in every transaction we are involved with, thus aligning our interests with our investors and developers.

**NEWPORT PARTNERS, LLC  
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT**

**YEARS ENDED DECEMBER 31, 2007 AND 2006**

NEWPORT PARTNERS, LLC AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2007 AND 2006

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\* \* \* \*

To the Members  
Newport Partners, LLC and Subsidiaries  
Irvine, California

## **INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying consolidated balance sheets of Newport Partners, LLC (a California limited liability company) and Subsidiaries as of December 31, 2007 and 2006, and the related consolidated statements of operations, changes in members' equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of Newport Partners, LLC and Subsidiaries' management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of Newport Partners, LLC and Subsidiaries' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Newport Partners, LLC and Subsidiaries as of December 31, 2007 and 2006, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

**TENTATIVE & PRELIMINARY**  
**For Discussion Purposes Only**

June \_\_\_\_\_, 2008

NEWPORT PARTNERS, LLC AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2007 AND 2006

	2007	2006
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ASSETS		
Current assets:		
Cash	\$ 717,359	\$
Receivables:		
Accounts receivable	815,511	548,664
Other	350,016	150,000
Prepaid expenses	2,619	
Impound account for real estate taxes (Note 3)	15,073	
Receivable from related parties - current (Note 4):		
Advances to affiliated partnerships	79,619	264,994
Development fee	1,608,116	968,056
	<hr/>	
Total current assets	3,588,313	1,931,714
Restricted deposits (Note 3):		
Replacement reserve	25,616	
Debt service reserve	22,113	
Receivable from related parties – net of current portion (Note 4)	656,098	225,424
Deposits	10,135	5,000
Development in progress (Note 6)	4,408,351	6,589,000
Property and equipment – net (Note 7)	3,190,783	1,068,386
Deferred costs - net (Note 9)	22,479	
	<hr/>	
Total assets	\$ 11,923,888	\$ 9,819,524
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*The accompanying notes are an integral part of these consolidated financial statements.*

NEWPORT PARTNERS, LLC AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2007 AND 2006

	2007	2006
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Current liabilities:		
Cash overdraft	\$ -	\$ 952
Accounts payable and accrued expenses	200,662	134,446
Related-party payable (Note 9)	2,791,915	821,370
Deferred revenue (Note 2)	360,323	
Interest payable (Note 10)	9,209	
Notes payable – current portion (Note 10)	22,847	10,830
	<hr/>	<hr/>
Total current liabilities	3,384,956	967,598
Tenant security deposits	25,536	
Share of deficiency in assets of partnerships (Note 5)	381,798	868,539
Interest payable – net of current portion (Note 10)		279,483
Notes payable – net of current portion (Note 10)	1,317,203	2,604,516
	<hr/>	<hr/>
Total liabilities	5,109,493	4,720,136
Members' equity:		
Controlling interests	6,407,551	5,021,242
Noncontrolling interests	406,844	78,146
Total members' equity	6,814,395	5,099,388
	<hr/>	<hr/>
Total liabilities and members' equity	\$ 11,923,888	\$ 9,819,524
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*The accompanying notes are an integral part of these consolidated financial statements.*

NEWPORT PARTNERS, LLC AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
Income:		
Syndication fee commissions	\$ 1,452,561	\$ 1,134,362
Development fees	2,267,684	845,148
Rental income	384,523	
Asset and property management fees	165,758	143,186
Interest	12,355	37,849
Gain on sale of property	453,406	
Gain (loss) from investments in partnerships and LLCs (Note 5)	(754,791)	(231,257)
Other	53,733	41,387
Total income	<u>4,035,229</u>	<u>1,970,675</u>
Operating expenses:		
Payroll and related costs (Note 9)	237,360	149,532
Commissions and other fees	225,000	333,351
Outside consultants	278,174	274,665
Interest (Note 11)	323,702	124,175
Depreciation	199,297	76,321
Amortization	15,438	
Taxes	49,033	34,143
Other rental property costs	222,249	
Development costs – nonrecoverable	20,414	29,568
Professional fees	77,083	28,218
Travel and entertainment	17,049	20,624
Contributions	3,380	850
Other	146,215	65,144
Total operating expenses	<u>1,814,394</u>	<u>1,136,591</u>
Income before non-controlling interests	2,220,835	834,084
Non-controlling interests in subsidiaries' earnings	<u>(415,198)</u>	<u>(78,146)</u>
Net income	<u>\$ 1,805,637</u>	<u>\$ 755,938</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

NEWPORT PARTNERS, LLC AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY  
YEARS ENDED DECEMBER 31, 2007 AND 2006

	<i>Controlling Interests</i>	<i>Non- Controlling Interests</i>	<i>Total</i>
Balance – December 31, 2005	\$ 6,005,149	\$ -	\$ 6,005,149
Capital contributions	20,000		20,000
Capital distributions	(1,759,845)		(1,759,845)
Net income for 2006	755,938	78,146	834,084
Balance – December 31, 2006	5,021,242	78,146	5,099,388
Capital contributions	1,348		1,348
Capital distributions	(420,676)	(35,000)	(455,676)
Syndication costs		(51,500)	(51,500)
Net income for 2007	1,805,637	415,198	2,220,835
Balance – December 31, 2007	<u>\$ 6,407,551</u>	<u>\$ 406,844</u>	<u>\$ 6,814,395</u>

*The accompanying notes are an integral part of these consolidated financial statements.*



NEWPORT PARTNERS, LLC AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
Cash flows from operating activities:		
Net income	\$ 1,805,637	\$ 755,938
Adjustments to reconcile net income to net cash provided by operating activities:		
Non-controlling interest in subsidiaries' earnings	415,198	78,146
Depreciation and amortization	214,735	76,321
Loss from investments in partnerships	754,791	231,257
Gain on sale of property	(453,406)	
(Increase) decrease in assets:		
Accounts receivable	(265,905)	775,274
Receivable from related parties	(1,735,184)	(370,868)
Impound account for real estate taxes	(10,469)	
Prepaid expenses	(2,619)	
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	89,860	34,364
Deferred revenue	359,201	
Related-party payable	(144,718)	(349,822)
Interest payable	(2,430)	(124,542)
Tenant security deposits liability	4,036	
Net cash provided by operating activities	1,028,727	1,106,068
Cash flows from investing activities:		
Net decrease in notes receivable		258,200
Increase in other receivable	(200,016)	(150,000)
Net increase in development in progress	(647,097)	(660,133)
Proceeds from sale of property and equipment	888,389	
Purchase of property and equipment	(61,647)	(58,385)
Net increase in share of deficiency in assets of partnerships	29,573	488,453
Net increase in restricted deposits for reserves	(12,329)	
Payment of deferred costs	(21,836)	
Net (increase) decrease in deposits	(5,135)	76,117
Net cash used in investing activities	(30,098)	(45,748)

*The accompanying notes are an integral part of these consolidated financial statements.*

NEWPORT PARTNERS, LLC AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2007 **AND** 2006

Cash flows from financing activities:

Equity distributions – net of contributions	(454,328)	(1,051,778)
Advances from limited partner	30,000	
Proceeds from notes payable	144,010	
Payment of notes payable		(26,170)

Net cash used in financing activities

(280,318)	(1,077,948)
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Increase (decrease) in cash

718,311	(17,628)
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Cash (overdraft), beginning of year

(952)	16,676
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Cash (overdraft), end of year

\$ 717,359	\$ (952)
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Supplementary information:

Cash paid for interest – net of capitalized portion

\$ 593,976	\$ 132,834
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Noncash investing and financing activities:

Assets acquired by assuming current liabilities

\$ -	\$ 1,105,000
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Assets acquired by assuming long-term liabilities

\$ 35,400	\$ 279,483
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Assets transferred through capital distribution

\$ -	\$ 1,811,949
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Liabilities transferred through capital distribution

\$ -	\$ 1,123,882
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*The accompanying notes are an integral part of these consolidated financial statements.*

NEWPORT PARTNERS, LLC AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2007 AND 2006

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

Newport Partners, LLC (Newport) was formed as a California limited liability company on January 16, 1998 to provide services to institutional investors including the acquiring, underwriting, negotiating and asset management of tax credit transactions; real estate development and other investment activities.

Newport is the sole member of Newport Development, LLC (NPD), a California limited liability company formed on January 1, 2001, and of MNJ Development, LLC (MNJ), a California limited liability company formed in 2003. MNJ has a controlling interest in Domus Development, LLC (Domus) a California limited liability company formed on May 15, 2003. Newport has controlling interests in Domus Management, LLC (DMC), a California limited liability company formed in 2007, Lander Community Development, LLC (LCD), a Washington limited liability company formed in 2005, Terra Partners, LLC (TPL), a California limited liability company formed in 2005 and Saguaro Gardens Limited Partnership (Saguaro), an Arizona limited partnership formed in 1997. In 2006, Newport also had controlling interests in New Pueblo, LLC (NPL), a California limited liability company formed in 2004 and Casa Partners, LLC (CPL), a California limited liability company formed in 2006. Newport transferred its interest in NPL in December 2007. Newport intends to transfer its interest in CPL in 2008.

These financial statements consolidate the activities of Newport, NPD, MNJ, Domus, DMC, LCD, TPL and Saguaro (Newport and subsidiaries). In 2006, the activities of NPL and CPL were also included in the consolidation. Not included herein is the activity of Newport Partnership Management Corporation (NPM), a California corporation owned by the same interests who own Newport.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Accounting Method

Newport and subsidiaries use the accrual method of accounting which recognizes income in the period earned and expenses when incurred.

Principles of Consolidation

The consolidated financial statements include the accounts of Newport, NPD, MNJ, Domus, DMC, LCD, TPL and Saguaro. All material intercompany balances and transactions have been eliminated from the consolidated financial statements.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash

Cash is defined as cash in demand deposit accounts as well as cash on hand. Not included in cash are funds restricted as to their use, regardless of liquidity or the maturity date of investments. Newport Partner's occasionally maintains cash on deposit at a bank in excess of the Federal Deposit Insurance Corporation limit. The uninsured cash balance, including unrestricted accounts, was approximately \$721,000 as of December 31, 2007. Newport Partner's has not experienced any losses in such accounts. Newport Partner's believes that it is not exposed to any significant cash credit risk.

NEWPORT PARTNERS, LLC AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2007 AND 2006

Accounts Receivable

Management elects to record bad debts using the direct write-off method. Accounting principles generally accepted in the United States of America require that the allowance method be used to reflect bad debts. However, the effect of the use of the direct write-off method is not materially different from the result that would have been obtained had the allowance method been followed.

Tenant Security Deposits

Saguaro Gardens is required to hold security deposits in a separate bank account in the name of the Project. At December 31, 2007, security deposit cash balance is less than the security deposit liability balance.

Investments in Partnerships / Share of Deficiency in Assets of Partnerships

Investments in partnerships are accounted for using the equity method of accounting. The investment is initially recorded at cost and then adjusted for Newport's proportionate share of undistributed earnings or losses (see Note 5).

Property and Equipment, and Deferred Costs

Property and equipment is stated at cost of acquisition or development. The costs of maintenance and repairs are charged to expense as incurred. Depreciation is computed based on straight-line and accelerated methods over the estimated useful lives of the assets. Development in progress is not depreciated until the completion of development.

Deferred costs are incurred in order to obtain permanent financing and tax credits for Saguaro. The costs are stated at cost and amortized on a straight-line basis over the term of the mortgage. Organization costs are expensed as incurred.

The useful lives of the assets are estimated as follows:

Buildings	27.5 to 39 years
Site improvements	15 years
Furniture, fixture and equipment	5 to 7 years
Automobile	30 years
Tax credit costs	10 years
Loan costs	1.3 to 5 years

Revenue Recognition

Syndication fees are recorded when the earnings process is complete and collectibility is reasonably assured. Under the terms of an agreement with Alliant Capital entered into in March 2003, the employees of NPM became employees of Alliant Capital, Newport Division. The agreement was amended in June 2007, effective January 1, 2007. Newport now earns a fee equal to 2.5% of the amount by which gross equity committed by Alliant Capital during a calendar year exceeds \$20,000,000. Previously, Newport earned a quarterly fee from Alliant Capital based on 50% of Alliant Capital's net income from the division. Fees earned from July 1 through December 31 were recorded in the following year when the amount earned was determinable.

The result of the above accounting policies resulted in the 2006 financial statement including such fees earned during the period from July 1, 2005 through June 30, 2006. The remainder of the fees attributable to 2006, which were approximately \$506,000 are included in 2007 syndication fee commission income.

Developer fee income from consolidated subsidiaries is recognized to the extent that the subsidiaries have depreciated the developer fee cost as part of property and equipment. The portion to be recognized in future years amounted to \$352,151 at December 31, 2007 and is included in deferred revenue.

NEWPORT PARTNERS, LLC AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2007 AND 2006

Income Taxes

No income tax provision has been included in the financial statements since Newport and subsidiaries have elected to be considered as partnerships for federal income tax purposes. Income or loss of Newport and subsidiaries is reported by the members on their respective income tax returns. Only the annual California limited liability company minimum tax and fee appear as an expense in the financial statements.

Compensated Absences

Compensated absences are not accrued. Accounting principles generally accepted in the United States of America require that compensated absences be accrued. However, the effect of not accruing compensated absences is not materially different from the result that would have been obtained had compensated absences been accrued.

**NOTE 3 – RESTRICTED DEPOSIT AND RESERVES HELD BY SAGUARO SUBSIDIARY**

Replacement Reserve

Saguaro Gardens is required to maintain a reserve for replacement and repair of property and equipment in accordance with the partnership agreement and the lender's regulatory agreement. The reserve was funded in the initial amount of \$18,000 and is required to be funded in the additional amount of \$1,500 per month commencing on August 1, 2007.

Debt Service Reserve

Saguaro Gardens is required to maintain a reserve account with a minimum balance of \$22,000 to cover approximately two months of debt service payments.

Impound Account for Real Estate Taxes

Saguaro Gardens is required to make monthly deposits in the amount of \$2,000 to fund the impound account for real estate taxes. The balance in the impound account as of December 31, 2007 was \$15,073.

Operating Deficit Reserve

Terms of Saguaro Gardens' partnership agreement require the creation of an operating deficit reserve upon the payment of the limited partner's fourth equity capital contribution.

In accordance with provisions of the agreements, restricted cash is held in separate bank accounts, Details follow:

	2007		2006	
	<i>Replacement Reserve</i>	<i>Debt Service Reserve</i>	<i>Replacement Reserve</i>	<i>Debt Service Reserve</i>
Balance, beginning of year	\$ -	\$ -	\$ -	\$ -
Deposits	25,500	22,000	-	-
Interest received	116	113	-	-
Withdrawals	-	-	-	-
Balance, end of year	\$ 25,616	\$ 22,113	\$ -	\$ -

NEWPORT PARTNERS, LLC AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2007 AND 2006

**NOTE 4 – RECEIVABLE FROM RELATED PARTIES**

Advances to partnerships are unsecured, bear no interest, and consist of the following:

	2007	2006
Lincoln Court Associates	\$ 3,199	\$ 184,852
Northland Village Associates	8,152	17,125
Divine Senior Apartments Associates		12
Saguaro Gardens Limited Partnership		2,571
Gateway Mixed-use Development, L.P.	14,426	
Oak Ridge Apartments Associates, L.P.	3,506	57,564
Southcrest Associates	28,505	
Casa Partners, LLC	16,610	
Other	5,221	2,870
Total	\$ 79,619	\$ 264,994
Less: current portion	(79,619)	(264,994)
Long-term portion	\$ -	\$

Development fee receivable is summarized as follows:

	2007	2006
Lincoln Court Associates	\$ 779,400	\$ 869,400
Divine Senior Apartments Associates	175,506	324,080
Gateway Mixed Use Development, LP	917,807	
Oak Ridge Apartments Associates, L.P.	391,501	
Total	2,264,214	1,193,480
Less: current portion	(1,608,116)	(968,056)
Long-term portion	\$ 656,098	\$ 225,424

**NOTE 5 – SHARE IN DEFICIENCY IN ASSETS OF PARTNERSHIPS**

	<i>Percentage Interest</i>	<i>Income (Loss) from Investments</i>	<i>Investments (Deficiency) Balance at December 31</i>	<i>Income (Loss) from Investments</i>	<i>Investments (Deficiency) Balance at December 31</i>
Northland Village Associates <sup>(1)</sup>	0.0049%	\$ (27)	\$ (363,329)	\$ 90,709	\$ (363,302)
Divine Senior Apartments Associates <sup>(2)</sup>	0.0049%	(4)	(18,004)	(3,826)	(18,000)
Lincoln Court Associates <sup>(3)</sup>	0.0049%	(27)	(520)	(493)	(493)
Gateway Mixed Use Development <sup>(4)</sup>	0.0049%	(41)	(41)		
Oak Ridge Apartments Associates, L.P. <sup>(5)</sup>	0.0049%	96	96		

NEWPORT PARTNERS, LLC AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007			2006	
	<i>Percentage Interest</i>	<i>Income (Loss) from Investments</i>	<i>Investments (Deficiency) Balance at December 31</i>	<i>Income (Loss) from Investments</i>	<i>Investments (Deficiency) Balance at December 31</i>
Saguaro Gardens Limited Partnership <sup>(6)</sup>	0.10%			(317,647)	(486,744)
New Pueblo, LLC <sup>(7)</sup>		(622,881)			
Casa Partners, LLC <sup>(8)</sup>		(131,907)		-	-
Total		\$ (754,791)	\$ (381,798)	\$ (231,257)	\$ (868,539)

- (1) The limited partnership was formed under the laws of the State of California in 2004 to own and operate a 144-unit affordable housing complex with 100 townhouse units (Northland Village Apartments) and 44 garden units (Morey Terrace Apartments) (collectively referred to as the Project) located in Sacramento, California. Rehabilitation of the Project was completed in 2007.
- (2) The limited partnership was formed under the laws of the State of California in 2004 to develop a 32-unit apartment complex in Cloverdale, California. The project was placed in service in 2006.
- (3) The limited partnership was formed under the laws of the State of California in 2004 to develop, construct and operate an 82-unit affordable rental housing complex in Oakland, California. The project was placed in service in 2006.
- (4) The limited partnership was formed under the laws of the State of California in 2005 to develop and operate a 28-unit affordable housing complex in Pittsburg, California. The project was placed in service in 2007.
- (5) The limited partnership was formed under the laws of the State of California in 2006 to develop and operate a 35-unit affordable housing complex in Sonoma, California. The project was placed in service in 2007.
- (6) The limited partnership was formed under the laws of the State of Arizona in 1997 to develop, construct and operate a 72-unit affordable housing complex in Florence, Arizona, of which 52 units will be for the benefit of low-income families. Newport has controlling interest in the partnership. In 2006, Newport intended to transfer its partnership interest which was deemed to be temporary at that time. In 2007, Newport determined that its partnership interest is not likely to be transferred and has therefore included Saguaro in the consolidation.
- (7) Newport transferred its interest in NPL in December 2007. In 2006, NPL was included in the consolidated financial statements.
- (8) Newport will transfer its interest in CPL in 2008. In 2006, CPL was included in the consolidated financial statements.

NEWPORT PARTNERS, LLC AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2007 AND 2006

The summarized financial position of the equity method (unconsolidated) partnerships are as follows:

	2007		
	<i>Total Assets</i>	<i>Total Liabilities</i>	<i>Total Equity</i>
Northland Village Associates	\$ 22,996,830	\$ 20,386,119	\$ 2,610,711
Divine Senior Apartments Associates	5,057,875	3,758,684	1,299,191
Gateway Mixed Use Development	11,064,821	10,858,288	206,533
Oakridge Apartments Associates, L.P.	6,712,552	6,415,892	296,660
Lincoln Court Associates	18,808,810	13,705,284	5,103,526
	<u>\$ 64,640,888</u>	<u>\$ 55,124,267</u>	<u>\$ 9,516,621</u>

	2006		
	<i>Total Assets</i>	<i>Total Liabilities</i>	<i>Total Equity</i>
Northland Village Associates	\$ 17,759,863	\$ 16,177,448	\$ 1,582,415
Divine Senior Apartments Associates	5,184,733	3,916,523	1,268,210
Saguaro Gardens Limited Partnership	3,312,896	3,851,140	(538,244)
Lincoln Court Associates	18,881,392	18,730,493	150,899
	<u>\$ 41,825,988</u>	<u>\$ 38,824,464</u>	<u>\$ 3,001,524</u>

**NOTE 6 –DEVELOPMENT IN PROGRESS**

Development in progress is summarized as follows:

	2007	2006
Mixed-use development in Sonoma, California:		
Land	\$ -	\$ 2,100,000
Predevelopment costs		720,725
Single-family homes in Port Townsend, Washington:		
Land	625,000	625,000
Predevelopment costs	346,606	177,371
Multi-family apartments in Bremerton, Washington:		
Land	475,000	475,000
Predevelopment costs	14,753	9,829
Single-family homes in Kingston, Washington:		
Land	1,500,890	1,500,890
Predevelopment costs	14,018	10,067
Single-family homes in Benicia, California:		
Land	201,625	201,625
Predevelopment costs	38,444	36,072
Single-family homes in Windsor, California:		
Land	630,000	630,000
Predevelopment costs	137,890	95,400
Other predevelopment costs	424,125	7,021
Total development in progress	<u>\$ 4,408,351</u>	<u>\$ 6,589,000</u>



NEWPORT PARTNERS, LLC AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2007 AND 2006

It is management's intent to continue efforts to develop these properties.

**NOTE 7 – PROPERTY AND EQUIPMENT**

Property and equipment is summarized as follows:

	2007	2006
Land	\$ 167,533	\$ 120,000
Buildings	4,246,465	740,242
Automobile	73,175	73,175
Furniture and equipment	171,624	65,839
Construction in progress		204,546
	4,658,797	1,203,802
Less accumulated depreciation	(1,468,014)	(135,416)
Total property and equipment	\$ 3,190,783	\$ 1,068,386

**NOTE 8 – DEFERRED COSTS INCURRED BY SAGUARO SUBSIDIARY**

Deferred costs are summarized as follows:

	2007	2006
Tax credit costs	\$ 19,967	\$
Loan costs	21,836	
	41,803	
Less: accumulated amortization	(19,324)	
Total deferred costs	\$ 22,479	\$

**NOTE 9 – RELATED-PARTY PAYABLE**

Related-party transactions include the following fees and charges:

<u>Payable/Paid to</u> <u>Description</u>	<u>Payable at</u> <u>December 31,</u> <u>2007</u>	<u>2007 Expense</u> <u>(Payment)</u>	<u>Payable at</u> <u>December 31,</u> <u>2006</u>	<u>2006 Expense</u> <u>(Payment)</u>
<u>ZSF 99-1 Middle Tier, LLC (Limited partner</u> <u>with noncontrolling interest in</u> <u>Saguaro subsidiary)</u>				
Advances <sup>(1)</sup>	\$ 1,736,854	\$	\$ -	\$
Accrued interest on advances <sup>(1)</sup>	530,678	152,269		
<u>Newport Partnership Management</u> <u>Corporation</u>				
Advances <sup>(2)</sup>	56,001		41,762	

NEWPORT PARTNERS, LLC AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2007 AND 2006

<i>Payable/Paid to Description</i>	<i>Payable at December 31, 2007</i>	<i>2007 Expense (Payment)</i>	<i>Payable at December 31, 2006</i>	<i>2006 Expense (Payment)</i>
<u>Jong Limb</u>				
Advances <sup>(3)</sup>	468,382		779,608	
	<u>\$ 2,791,915</u>		<u>\$ 821,370</u>	

Funds have been advanced to Saguaro Gardens by ZSF 99-1 Middle Tier, LLC for the loan conversion and payment of interest to Bank of America. According to the partnership agreement, limited partner loans shall accrue interest at a rate equal to the Corporate Base Rate of Interest (as announced by Citibank, N.A., or its successor(s) from time to time) per annum (7.25% and 8.25% at December 31, 2007 and 2006, respectively).

NPM provided personnel and related costs to Domus in the amount of approximately \$170,000 and \$150,000 during 2007 and 2006, respectively, of which \$56,001 and \$41,762 was payable at December 31, 2007 and 2006, respectively.

- <sup>(3)</sup> A Newport owner advanced funds in 2006, of which \$468,382 and \$779,608 was payable at December 31, 2007 and 2006, respectively.

Other related-party transactions are described in Notes 2 and 4.

**NOTE 10 – NOTES PAYABLE**

Notes payable consist of the following:

	<i>2007</i>		<i>2006</i>	
	<i>Interest Payable</i>	<i>Principal</i>	<i>Interest Payable</i>	<i>Principal</i>
Redevelopment Agency of the City of Pittsburg predevelopment loan in the maximum amount of \$250,000, bears interest at the rate of 3% with the entire principal and interest due in September 2009.	\$ -	\$ 11,597	-	
Placer County Redevelopment Agency predevelopment loan in the maximum amount of \$1,136,500, bears interest at 2%, with the principal and interest due at the earlier of (a) the closing date of the permanent financing for the project or (b) July 2012.		145,613	-	
Far East National Bank mortgage originally amounting to \$600,000, bore interest at prime rate plus .75% (.50% effective October 2006), payable monthly in the amount of \$3,371. The loan was repaid in August 2007. Interest expense was \$31,636 and \$37,928 in 2007 and 2006, respectively.		-		570,346

NEWPORT PARTNERS, LLC AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007		2006	
	<i>Interest Payable</i>	<i>Principal</i>	<i>Interest Payable</i>	<i>Principal</i>
Arizona Multibank Community Development Corporation loan, in the original amount of \$1,190,000, bears interest at 9.04% per annum, with monthly payments of principal and interest in the amount of \$10,737 starting August 1, 2007 based on a 20-year amortization, with the entire balance due on July 1, 2012.	9,209	1,182,840	-	
Seller's mortgage on Sonoma land, bears interest at 8%. The mortgage was transferred in December 2007. Capitalized interest was \$163,600 and \$115,883 in 2007 and 2006, respectively.	-	-	279,483	2,045,000
Total	9,209	1,340,050	279,483	2,615,346
Less: current portion	(9,209)	(22,847)		(10,830)
Long-term portion	\$ -	\$ 1,317,203	\$ 279,483	\$ 2,640,516

Principal payments on note payable for the next five years are estimated as follows:

2008	\$ 22,847
2009	25,001
2010	27,357
2011	29,935
2012	1,077,701

**NOTE 11 – INTEREST EXPENSE**

Interest expense consists of the following:

	2007	2006
Home Street Bank construction loan	\$ -	\$ 33,384
Far East National bank mortgage	31,636	37,928
Bank of America mortgage		25,766
Bank of America loan	64,653	
Limited partner loan	152,269	
Arizona Multibank loan	55,736	
Line of credit and other	19,408	27,097
	<u>\$ 323,702</u>	<u>\$ 124,175</u>

NEWPORT PARTNERS, LLC AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2007 AND 2006

**NOTE 12 – OPERATING LEASE**

Newport leases office space under a four year lease ending June 30, 2011.

The following represents the future minimum lease payments:

	<u>Year Ended December 31,</u>	
2008	\$	44,220
2009		45,930
2010		47,700
2011		24,480

**NOTE 13 – CONCENTRATIONS OF RISK**

Substantially all of the syndication fee commission income was from the arrangement with Alliant Capital described in Note 2. The two members of Newport provide the services which generate this income at no cost to Newport. Most of their compensation is in the form of capital distributions from Newport.

**NOTE 14 – COMMITMENTS AND CONTINGENCIES**

Newport provides operating deficit guarantees and indemnifications with regard to tax benefits projected for its affiliated partnerships, in aggregate, approximately \_\_\_\_\_ as of December 31, 2007. These guarantees are expected to expire by June 2010. Management believes that the likelihood of funding a material amount of any of the guarantees is remote.

Section 42 Residential Units (Saguaro)

Provisions under Internal Revenue Code Section 42 require that Saguaro remain low income for 15 years. Throughout the compliance period, 52 units will be allocated as follows: (a) 8 units for qualified households with income at or below 40% of the area median income (AMI), (b) 30 units for qualified households with income at or below 50% of AMI, and (c) 14 units for qualified households with income at or below 60% of AMI. The remaining 20 units will be rented without restrictions to tenants under market-rate leases.

Property Management (Saguaro)

Property management of Saguaro is contracted with Kay-Kay Realty Corporation for a monthly fee equal to the greater of fixed fees at \$25 per unit or 5% of the gross cash receipts.

Asset Management (Saguaro)

The partnership agreement requires an annual payment of \$7,500 to the asset manager as compensation for partnership asset management services. The asset management fee is payable from the previous year's surplus cash. Based on projections of cash flow, the asset management fee is not expected to be paid. Therefore no accrual has been made, and the fees will be recognized when paid.

**NOTE 15 – DISTRIBUTION OF EXCESS/DISTRIBUTABLE CASH FROM SAGUARO**

The Saguaro partnership and regulatory agreements limit the use of project cash. Under these agreements Newport is precluded from receiving any distributions of operating cash unless specifically approved in the annual calculation of excess/distributable cash.

**AFFORDABLE HOUSING CDC**

**Affordable Housing CDC , Inc.**  
**Profit & Loss**  
**July 2007 through June 2008**

	<u>Jul '07 - Jun 08</u>
Ordinary Income/Expense	
Income	
Affordable Housing Development	162,256.33
Total Income	162,256.33
Expense	
<b>6022</b> • Taxes - Local	1,660.00
<b>6025</b> • Software	589.87
<b>6150</b> . Depreciation Expense	666.86
<b>6160</b> . Dues and Subscriptions	1,485.00
<b>6185</b> . Liability Insurance	2,228.00
Total <b>6180</b> • Insurance	2,228.00
<b>6240</b> • Miscellaneous	1,177.22
<b>6250</b> • Postage and Delivery	995.64
<b>6260</b> • Printing and Reproduction	13.80
<b>6280</b> . Legal Fees	665.00
<b>6655</b> • Consulting	19,000.00
<b>6270</b> . Professional Fees - Other	1,614.00
Total <b>6270</b> . Professional Fees	21,279.00
<b>6290</b> • Rent	
<b>6290</b> . Rent - Other	6,753.89
Total <b>6290</b> . Rent	6,753.89
<b>6340</b> . Telephone	
<b>6342</b> . Cellular Phone	1,967.89
<b>6340</b> . Telephone - Other	923.08
Total <b>6340</b> . Telephone	2,890.97
<b>6350</b> . Travel & Ent	
<b>6352</b> . Airline	260.90
<b>6361</b> . Parking	232.00
<b>6370</b> . Meals	1,871.21
<b>6380</b> . Travel	6,876.40
Total <b>6350</b> . Travel & Ent	9,240.51
<b>6550</b> • Office Supplies	5,336.57
Total <b>6560</b> . Payroll Expenses	169,760.04
Total <b>6770</b> • Supplies	0.00
Total Expense	224,077.37
Net Ordinary Income	-61,821.04
Other Income/Expense	
Other Income	
<b>7010</b> . Interest Income	23,650.90
Total Other Income	23,650.90
Total Other Expense	0.00
Net Other Income	23,650.90

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10/02/08  
Accrual Basis

Affordable Housing CDC, Inc.  
**Profit & Loss**  
July 2007 through June 2008

	Jul '07 - Jun 08
	<hr/>
Net Income	-38,170.14
	<hr/>

9:17 AM  
10/02/08  
Accrual Basis

**Affordable Housing CDC, Inc.**

**Balance Sheet**

**As of June 30, 2008**  
**Jun 30, 08**

**ASSETS**

Current Assets

**Checking/Savings**

**1000 • USBank Checking** 188,618.86

**Total Checking/Savings** 188,618.86

Accounts Receivable

**1200 .Accounts Receivable** 20,923.64

**Total Accounts Receivable** 20,923.64

Other Current Assets

**1015 • Due from AHCDC Tulare 4 LLC** 930.00

**1016 • Due from AHCDC McCoy LLC** 41.60

**1251 • Due from TRLP** 600.00

**Total Other Current Assets** 1,571.60

**Total Current Assets** 211,114.10

Fixed Assets

**Total 1500 • Computer Equipment** 0.00

**1510. Furniture**

**Total 1510 • Furniture** 1,662.75

**Total Fixed Assets** 1,662.75

Other Assets

**1540. Equity - Temple Rosenell LLC** 722,332.20

**1542. Equity - AHCDC Gateway LLC** 100.00

**1545 • Equity - Sunset Myra LLC** 100.00

**Total Other Assets** 722,532.20

**TOTAL ASSETS** **935,309.05**

**LIABILITIES & EQUITY**

Liabilities

Current Liabilities

Credit Cards

**2010 • USBank Business Visa** 3,057.39

**Total Credit Cards** 3,057.39

Other Current Liabilities

**2012. Due to TRLLC** 100.00

**Total Other Current Liabilities** 100.00



9:17 AM  
10/02/08  
Accrual Basis

**Affordable Housing CDC, Inc.**  
**Balance Sheet**  
**As of June 30, 2008**  
**Jun 30, 08**

Total Current Liabilities	<u>3,157.39</u>
Total Liabilities	3,157.39
Equity	
1110 . Retained Earnings	970,321.80
Net Income	<u>-38,170.14</u>
Total Equity	<u>932,151.66</u>
TOTAL LIABILITIES& EQUITY	<u><u>935,309.05</u></u>

## *Developer Status*

A Certificate of Good Standing from the State of California and a Legal Status Questionnaire for **Domus Development** are attached.

State of California  
Secretary of State

**CERTIFICATE OF STATUS**

**ENTITY NAME:** DOMUS DEVELOPMENT, LLC

**FILE NUMBER:** 200309710066  
**FORMATION DATE:** 04/04/2003  
**TYPE:** DOMESTIC LIMITED LIABILITY COMPANY  
**JURISDICTION:** CALIFORNIA  
**STATUS:** ACTIVE (GOOD STANDING)

I, DEBRA BOWEN, Secretary of State of the State of California, hereby certify:

The records of this office indicate the entity is authorized to exercise all of its powers, rights and privileges in the State of California.

No information is available from this office regarding the financial condition, business activities or practices of the entity.



**IN WITNESS WHEREOF**, I execute this certificate and affix the Great Seal of the State of California this day of August 28, 2008.

DEBRA BOWEN  
Secretary of State

**DOMUS DEVELOPMENT  
LEGAL STATUS QUESTIONNAIRE**

**Civil Matters**

1. Has the applicant filed a bankruptcy or receivership case or had a bankruptcy or receivership action commenced against it, defaulted on a loan, or been foreclosed against in the ***past ten years***? If so, please explain.  
NO
2. Is the applicant ***currently*** a party to, or been notified that it may become a party to, any civil litigation that may materially and adversely affect (a) the financial condition of the applicant's business, or (b) the project that is the subject of the application? If so, please explain,  
NO
3. Have there been any administrative or civil settlements, decisions, or judgments against the applicant within the ***past ten years*** that materially and adversely affected (a) the financial condition of the applicant's business, or (b) the project that is the subject of the application? If so, please explain and state the amount.  
NO
4. Is the applicant ***currently*** subject to, or been notified that it may become subject to, any civil or administrative proceeding, examination, or investigation by a local, state or federal licensing or accreditation agency, a local, state or federal taxing authority, or a local, state or federal regulatory or enforcement agency? If yes, please explain.  
NO
5. In the ***past ten years***, has the applicant been subject to any civil or administrative proceeding, examination, or investigation by a local, state or federal licensing or accreditation agency, a local, state or federal taxing authority, or a local, state or federal regulatory or enforcement agency that resulted in a settlement, decision, or judgment? If yes to either question numbers 4 or 6, please explain.  
NO

**Criminal Matters**

6. Is the applicant ***currently*** a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, involving, or that could result in, ***felony charges*** against the applicant? If so, please explain.  
NO
7. Is the applicant ***currently*** a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, involving, or that could result in, ***misdemeanor charges*** against the applicant for matters ***relating to the conduct of the applicant's business***? If so, please explain.  
NO
8. Is the applicant ***currently*** a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, involving, or that could result in, criminal charges (whether felony or misdemeanor) against the applicant for any ***financial or fraud related crime***? If so, please explain.  
NO
9. Is the applicant ***currently*** a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, that could ***materially affect the financial condition of the applicant's business***?  
NO
10. Within the ***past ten years***, has the applicant been convicted of any felony? If so, please explain.  
NO

11. Within the past ten years, has the applicant been convicted of any misdemeanor related to the conduct of the applicant's business? If so, please explain.

NO

12. Within the past ten years, has the applicant been convicted of any misdemeanor for any financial or fraud related crime? If so, please explain.

NO

Domus Development

PRINTED NAME OF APPLICANT/PROJECT SPONSOR ENTITY



SIGNATURE (Applicant/Project Sponsor)

1-21-09

DATE

Meea Kang

PRINTED NAME OF SIGNATORY

President

PRINTED TITLE OF SIGNATORY

# *Employment Policies*

**Domus Development's** current Non-Discrimination and Equal Employment Policy is attached.



## **DOMUS DEVELOPMENT, LLC NON-DISCRIMINATION AND EQUAL EMPLOYMENT POLICY**

### Equal Opportunity Employment

The Company is firmly committed to a policy of equal opportunity for all applicants and employees. This means the Company does not unlawfully discriminate as to any condition of employment including recruiting and hiring, promotion, compensation, benefits, discipline, termination and other employment actions. The Company's policy prohibits unlawful discrimination based on race, color, sex, marital status, religion, age, national origin, ancestry, physical or mental disability, medical condition, sexual orientation or any other consideration made unlawful by federal, state or local laws.

The Company's commitment applies to all persons involved in the operations of the Company and prohibits unlawful discrimination by any employee of the Company, including the members of the Company and co-workers. The Company expects all employees to show respect and sensitivity toward all other employees and to follow the Company's equal opportunity objectives.

To comply with applicable laws ensuring equal employment opportunities to qualified individuals with a disability, the Company will make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or an employee that can or would be able to perform the essential functions of his or her job without posing a threat to his or her health or that of other employees, unless undue hardship to the Company in accommodating the disability would result.

Employees should promptly report any incident of discrimination directly to the President or any member of the Company.

### Discrimination and Harassment

The Company is committed to providing a work environment free of unlawful harassment. Company policy prohibits sexual harassment and harassment because of race, religious creed, color, national origin or ancestry, physical or mental disability, medical condition, marital status, age, sex, sexual orientation or any other basis protected by federal, state or local law or ordinance or regulation. **All** such harassment is unlawful. The Company also prohibits unlawful harassment based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics. The Company's anti-harassment policy applies to all persons involved in the operation of the Company and prohibits unlawful harassment by any employee of the Company, including Supervisors and co-workers. **All** individual employees, not only Supervisors, may be personally liable for harassment on the basis of the above categories.

**All** employees must avoid offensive or inappropriate sexual behavior at work and in all interactions with residents and co-workers. **All** employees are responsible for assuring the workplace is free from sexual harassment at all times. Sexual harassment includes unwelcome written or verbal sexual advances and the written or verbal solicitation of sexual favors from an unwilling subordinate or co-worker in return for promotions, increased wages and continued employment. Other verbal, written and/or physical conduct of a sexual nature made to an employee or resident when submission to such conduct is made, whether explicitly or implicitly, a condition of an individual's employment or residency, or has the purpose or effect of creating intimidating, hostile or offensive working environment is prohibited as well.

Prohibited unlawful harassment includes, but it not limited, to the following behavior:

- Verbal conduct such as epithets, derogatory jokes or comments, slurs or unwanted sexual advances, invitations or comments;
- Visual conduct such as derogatory and/or sexually explicit-oriented posters, photography, cartoons, drawings or gestures;
- Physical conduct such as assault, unwanted touching, blocking normal movements or interfering with work because of sex, race or any other protected basis;
- Threats and demands to submit to sexual requests as a condition of continued employment, or to avoid some other loss, and offers of employment or housing benefits in return for sexual favors; and
- Retaliation for having reported or threatened to report harassment.

Any employee who has a complaint of harassment should report it promptly to the President or any member of the Company. Complaints should include details of the incident or incidents, names of the individuals involved and names of any witnesses. The Company will immediately undertake a thorough and objective investigation of the harassment allegation. The Company will attempt to maintain confidentiality.

The Company encourages all employees to report any incidents or harassment forbidden by this policy immediately so that complaints can be quickly resolved.



# Article 34 Issues

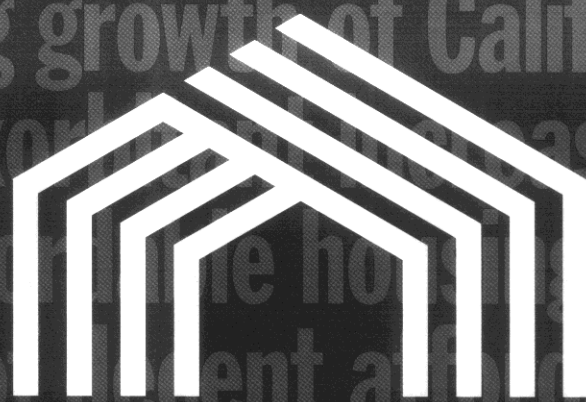
Provide background on experience dealing with issues related to Article 34 of the California Constitution which pertains to affordable housing development.

**Domus Development** and its principals have significant experience structuring affordable housing developments, both new construction and acquisition/rehabilitation developments, in order to address the applicability Article XXXIV of the California Constitution ("Article 34"). Article 34, which requires that voter approval be obtained before any "state public body" develops, constructs or acquires a "low rent housing project," often presents uncertainty for the proposed development and public agencies given the delay and cost of obtaining voter approval. Domus works hand-in-hand with local public agencies to structure its affordable housing developments in a manner which would permit the proposed development to fall within one of the exemptions to Article 34.

Domus has successfully structured affordable housing developments in light of the Article 34 requirements with the City of Pittsburg and its Redevelopment Agency, Sacramento Housing and Redevelopment Agency, the City of Oakland, and the County of Sonoma. The Article 34 inquiries and structuring included both new construction and acquisition/rehabilitation developments.

New construction of affordable housing developments financed with certain state or local funds often trigger the Article 34 voter approval. In such events, Domus has worked with the local public agency in order to determine if there is sufficient authority and approved number of units for the proposed affordable development. Even in instances where sufficient authority exists under Article 34, Domus has worked with local public agencies to structure the proposed affordable development with up to 49% of the units within the proposed development to be assisted and regulated by the local public agency, with the remaining 51% of the income-restricted units regulated by a separate governmental funding source which does not trigger Article 34 or self-regulated by Domus. In such instances, the local public agency is not required to utilize its Article 34 authority for the proposed affordable development, but the project still remains restricted to low- and moderate-income households. For acquisition and rehabilitation developments, Domus performs similar Article 34 inquiries with the local public agency, but also determines whether the affordable development qualifies as replacement housing for purposes of Article 34.

Domus also partners with tax-exempt non-profit organizations in order to qualify for the exemption from property taxation pursuant to the provisions of Revenue and Taxation Code 214(g). This qualification of the property tax exemption under Revenue and Taxation Code 214(g) also ensures any abatement or reduction of *ad valorem* property taxes attributable to the affordable development are within the confines of Article 34.







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# Eden: Pioneers in Affordable Housing

**The story of the founding of Eden Housing in 1968** is a great example of the pioneering spirit for which California is known. A group of concerned community activists had a vision of providing housing that would be affordable and available to all people of Alameda County. This small group of dedicated people founded Eden Housing, Inc. Their first project was to rehabilitate 6 homes in East Oakland, each volunteer "adopting" a first-time homebuyer family to help them purchase one of the homes. They then developed the 150-unit Josephine Lum Lodge for Hayward seniors, a development that Eden still owns 30 years later. The rest, as they say, is history.



Today Eden Housing is a thriving, growing organization that would make those pioneers very proud. Eden has built more than 4,200 units of housing and employs 130 staff. We have provided a place to call home for 12,000 families, seniors and persons with special needs. Our steady growth has been a response to the corresponding growth of California's lower-income population, exorbitant increases in real estate prices that make affordable housing a crisis for many, and the lack of decent affordable housing options. Concerned Northern California communities are seeking out ways to house their residents and local employees in one of the most challenging economic climates in memory, one which impacts everyone from the federal, state and local governments

down to the individual citizen. Eden is partnering with many communities in Alameda, Santa Clara, Contra Costa, San Joaquin, Sonoma and San Mateo Counties to help them provide practical, attractive and financially viable affordable housing solutions.

Our mission "to build and maintain high-quality, well managed, service enhanced affordable housing communities that meet the needs of low-income families, seniors and persons with disabilities" is one we take very seriously.

Today, Eden is a fully-integrated affordable housing organization — with affiliates that provide professional property management services for the properties we own and vital on-site support services for our residents. Eden Housing Management, Inc. is essential to our goal that our properties provide a lifelong high quality living environment. The quality of the communities that we have created has stood the test of time. Not only are some of our oldest complexes nice places to live, they have all remained affordable to the



populations we have been serving for 35 years. Our work through Eden Housing Resident Services, Inc. enhances the built environment by providing seniors with assistance to age in place independently, children with after school, summer and technology programming, and families with economic opportunity.

Eden is proud of its achievements over the past 35 years. The credit for our success is shared with the many important partners we have had — cities, lenders, and donors — all of whom have shared our vision and commitment. Together, we have made a difference in many lives by creating some of the best affordable housing communities in California. We look forward to continuing our collective efforts to solve the multi-faceted problem of affordable housing.

Ilene Weinreb

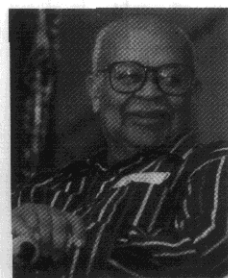
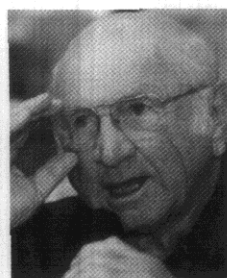
President

Linda Mandolini

Executive Director

thriving,  
growing

# Eden's Board of Directors



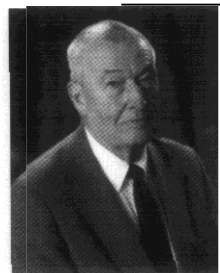
*(Standing, left to right) John Gaffney, Frank Goulart, William Vandenburg, Hank Deadrich, Calvin Whitaker, Timothy Reilly. (Seated, left to right): Pauline Weaver, Jennifer M. Groebe, Ilene Weinreb, Kathleen Hamm. Not pictured: Nick Randall*

**Eden is fortunate to be guided by** a volunteer Board of Directors of knowledgeable, committed individuals who care about the organization's mission, its residents and its employees. We thank them for their dedication and their wise stewardship.

## **Directors Emeriti**

In addition to Eden's active directors, we are pleased to have the guidance of four of Eden's longtime directors who have moved up to the status of Director Emeritus.

*(Photos left, left to right, top to bottom) Sara Conner, with Eden since 1969; Harold Mefford, a founding Director; Sal Tedesco; James Walker*



**William Vandenburg, founding Director, Former resident, Eden Housing, Inc.**

Eden is privileged to have one of its founders still serving on our Board of Directors. William Vandenburg is one of those dedicated community activists who made their vision of affordable housing for all come true. Bill served as Eden's resident for many years, and still serves as President on one of Eden's affiliated boards. We thank Bill for his many years of commitment to Eden's mission.

## **35 Years of Service to Eden Housing**

"A small group of political activists in Hayward, working for open and fair housing in the 1960s, founded Eden Housing. We had hopes of making a difference. Not one of us ever thought that 35 years later Eden Housing would be an organization that has created over 4,200 units and manages over 2,500 units of affordable housing. It has been an enjoyable and satisfying experience working with Eden Board members and staff, and particularly the residents of our developments, during these past 35 years."

**—William Vandenburg**



# Neighborhood Revitalization



**According to Mayor Donald P. Freitas,** the City of Antioch in Contra Costa County began thinking about developing a new General Plan about twenty years ago to meet the City's changing standards of what makes a "quality life" for its residents. The City wanted to focus on restoring its waterfront Rivertown

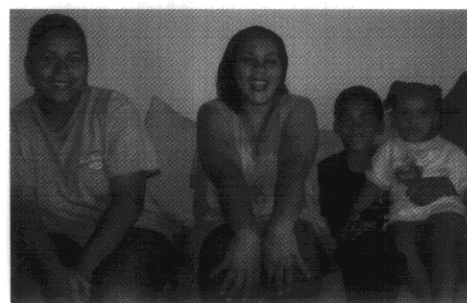
area, bringing in new shops, entertainment, restaurants and housing to meet the needs of its growing, changing population. In 1998, Eden Housing joined the City's effort to develop a new Plan for revitalizing Antioch's historic and picturesque West Rivertown Area. In the summer of 2003, Eden completed West Rivertown

Apartments, a 57-unit affordable housing community for families that is located on three contiguous lots just two short blocks from Antioch's waterfront.



"Eden Housing's West Rivertown Apartments are a sterling example of what the City of Antioch hopes to develop in the future. The success of this development demonstrates the immense potential the City has to develop the waterfront into a real downtown for our citizens."

—**Mayor Donald P. Freitas, City of Antioch**

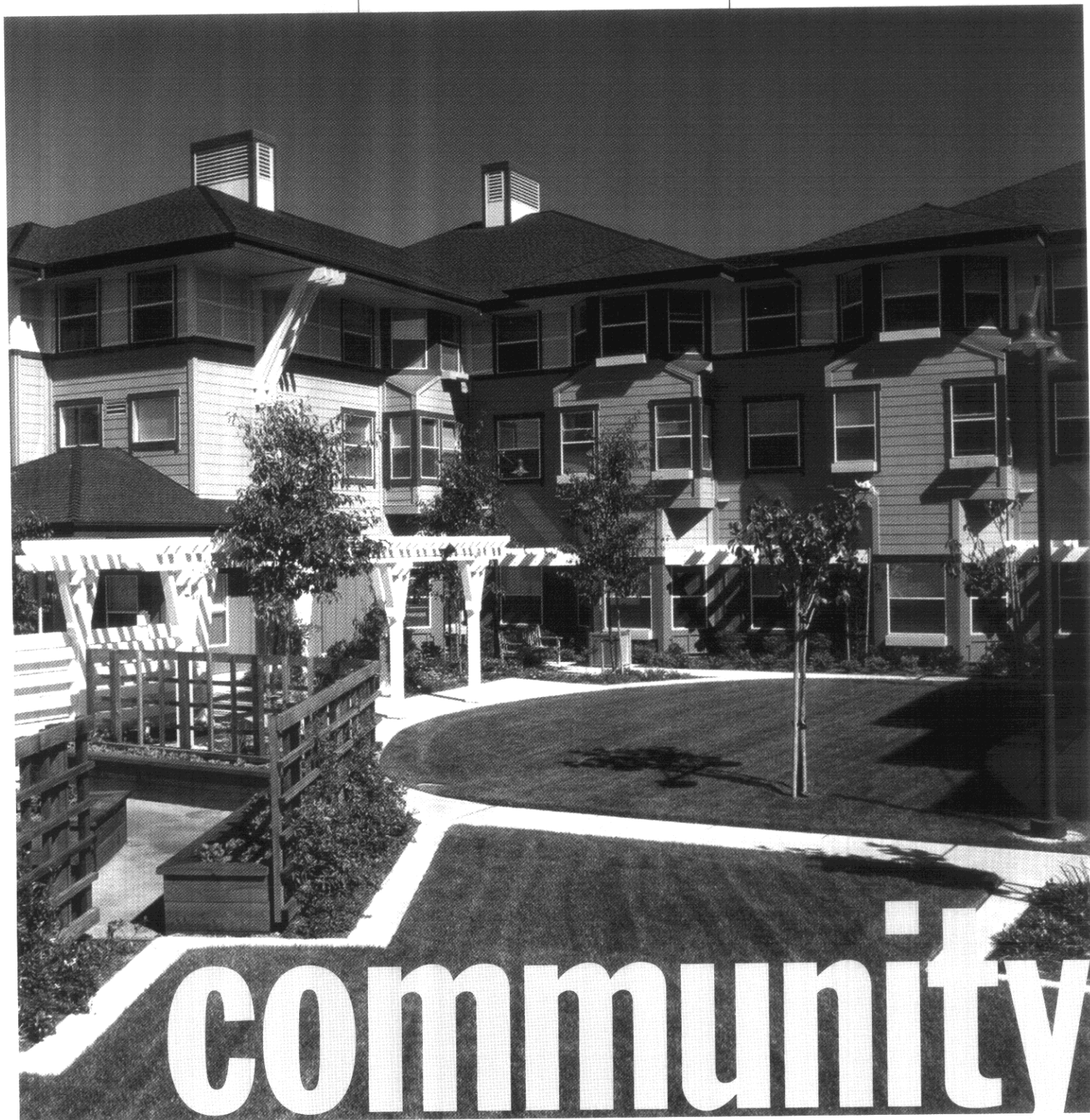


"The Lord has blessed me with this home. I asked him for four bedrooms and he gave them to me. It is peaceful and I feel safe here. The Manager cares what goes on. She's a blessing. My children are close to school and can even go fishing at the marina," says Diane Martel, who lives with her four children at West Rivertown in Antioch.

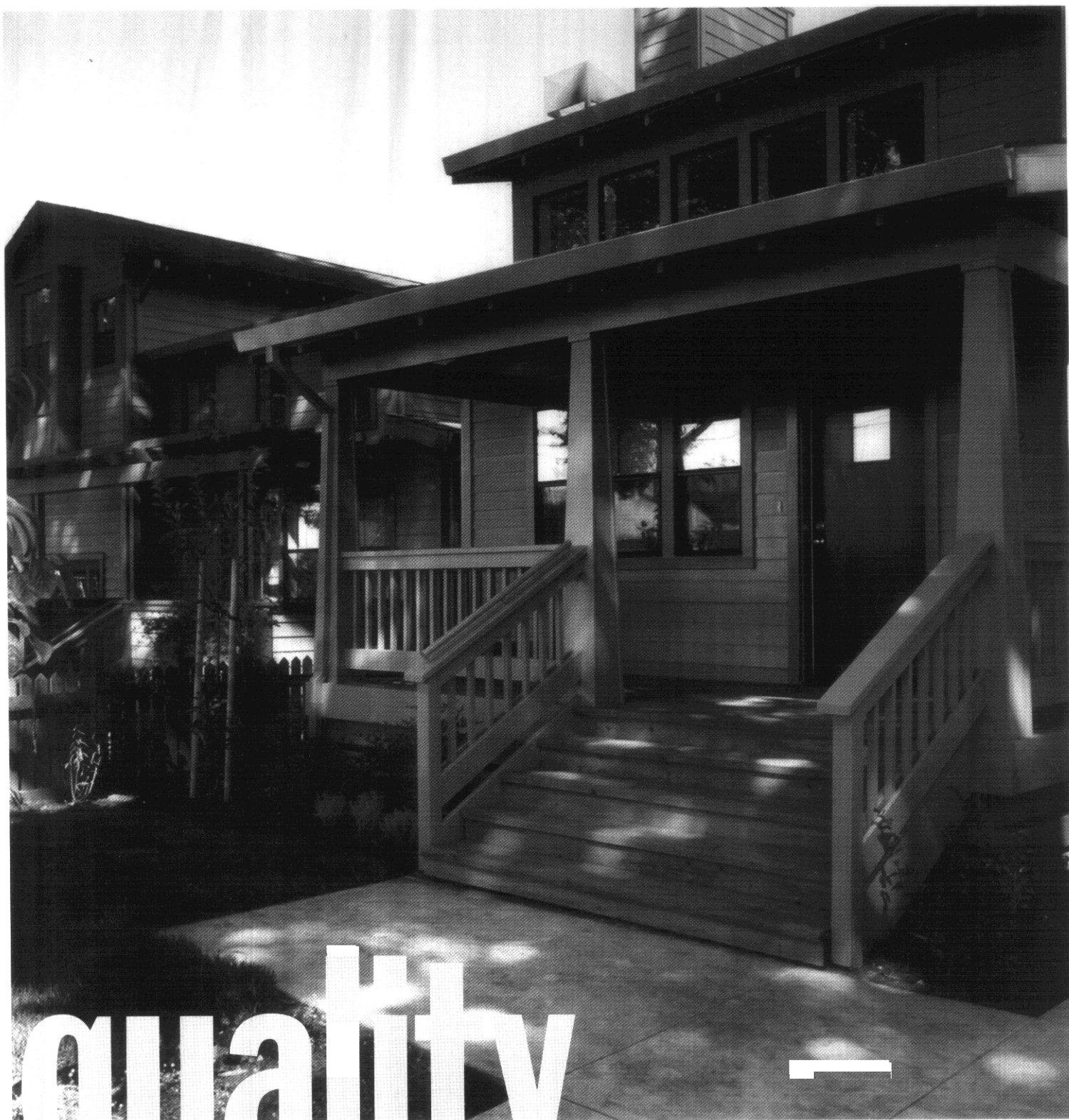
*(Opposite page, top) West Rivertown, Antioch;  
(opposite page, below) The Martel family;  
(this page) Community Heritage Senior,  
North Richmond*

"Eden is an ideal partner for CHDC; we share similar community objectives and values. We know that it is not just housing that improves a neighborhood but a comprehensive approach that includes economic development, social services and education. To this end Eden and CHDC have been able to affect positive change in families' lives and provide opportunities for individual growth and neighborhood revitalization in North Richmond."

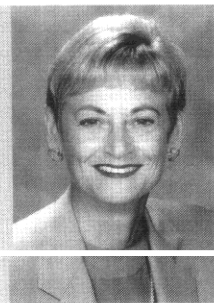
**—Donald Gilmore, Executive Director, CHDC**







"The City of Hayward is pleased to acknowledge Eden Housing of Hayward for its commitment to affordable housing. For thirty-five years, Eden Housing has provided high-quality and well-maintained affordable housing for many Hayward residents and also to neighboring communities. They and the City of Hayward have been instrumental in meeting the needs of affordable housing for lower-income families, seniors, and the disabled... Affordable housing in Hayward has been made possible with Eden Housing, an important factor in the growth and development of the City of Hayward."



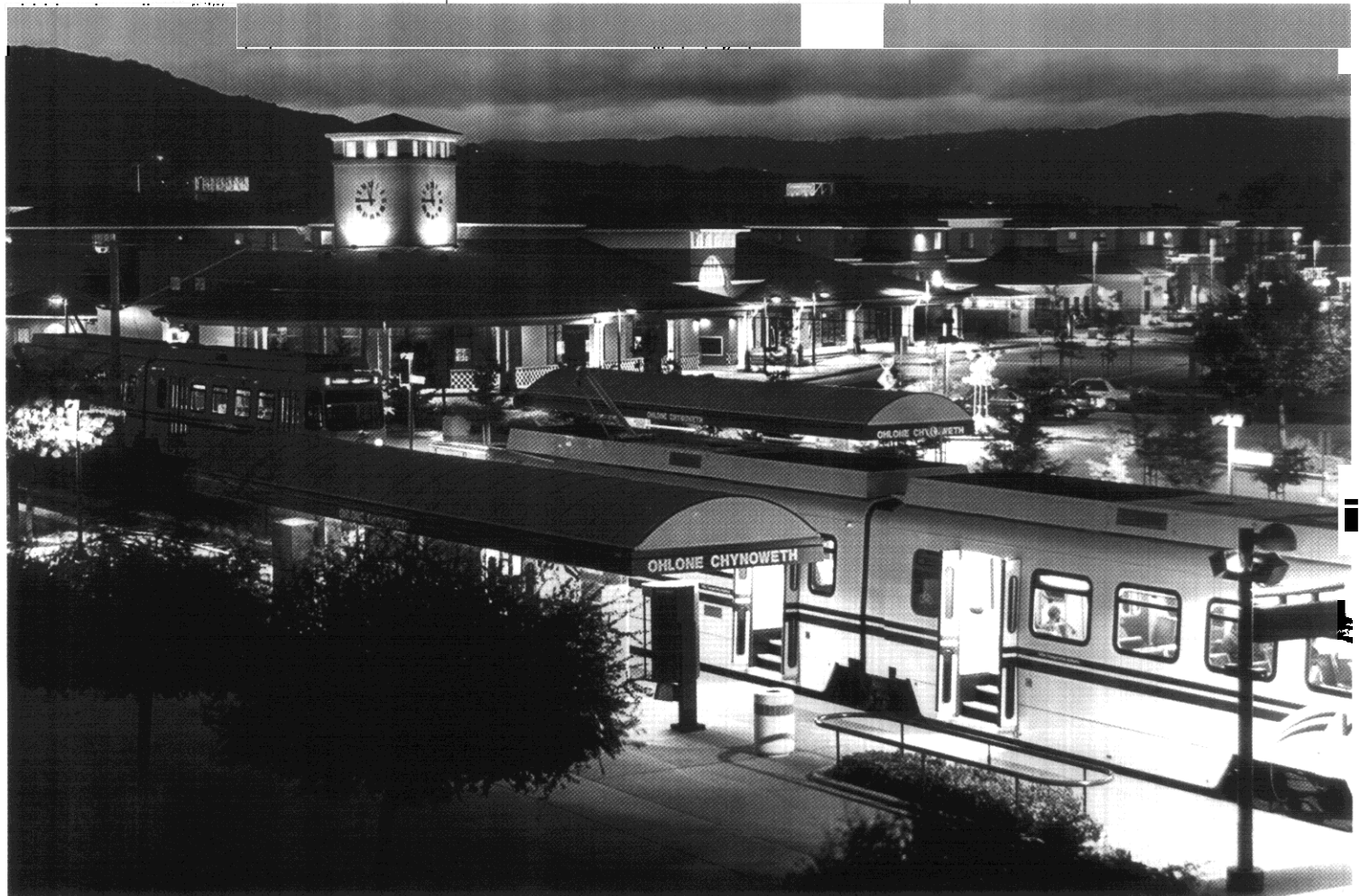
— Mayor Roberto Cooper, City of Hayward

# Smart Growth for Healthy Communities

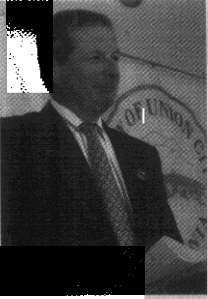


**There is a growing concern across California** that current development models, dominated by “sprawl”, are not in the long-term interest of our communities or our open and wilderness spaces. Communities **are** questioning the wisdom of abandoning infrastructure in the city only to build it further out, and the social impact of building new employment locations in the suburbs away from the available work force in the city. They are concerned about disregarding former industrial or commercial sites in older communities, eating up the open space

*(Opposite page) B Street Bungalows, Hayward; (this page) Ohlone Chynoweth: courtyard and view over lightrail station*







"Union City is excited about the new affordable senior housing that will be added to the market. Housing issues affect all age groups and this project will provide shelter for some of our citizens who are truly in need of a place to enjoy their autumnal years."

—Mark Green, Mayor of Union City

and, in some cases, the prime agricultural land at the suburban fringe, and polluting the air of entire regions by driving farther to get places.

Giving impetus to the smart growth

movement are demographic shifts, a stronger environmental ethic, increased fiscal concerns, and more fine-tuned views of growth. The result is both a new demand and a new opportunity for using Smart

Growth Principles that:

- Create a broad range of housing opportunities and choice
- Create walkable neighborhoods  
Encourage community and stakeholder collaboration  
Foster distinctive, attractive places with a strong sense of place
- Make development decisions predictable, fair and cost effective

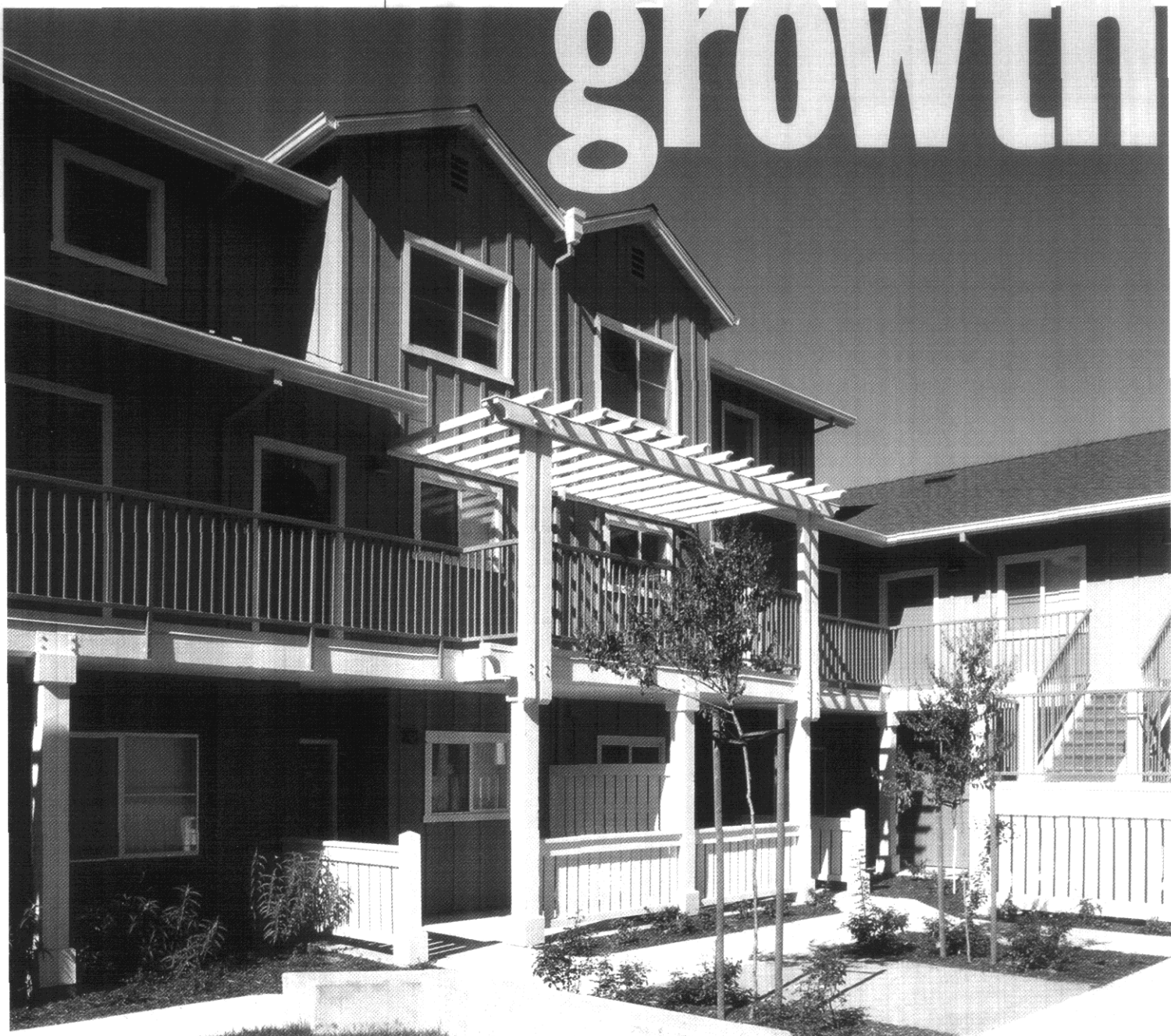
Mix land uses

Preserve open space, farmland, natural beauty and critical environmental areas

(This page) Rosewood Terrace for seniors, Union City;  
(opposite page) Owl's Landing, Livermore



# growth



- Provide a variety of transportation choices
- Strengthen and direct development towards existing communities

Working with these Smart Growth Principles, Eden helps its partners address the issues of community, quality of life, design, economics, the environment, health, housing, and transportation. Together we address the connection between development and quality of life and leverage new growth to improve the community. Smart growth invests time, attention, and resources in restoring community to city centers and older suburbs.

Now smart growth is more town-centered. It is transit- and pedestrian-oriented and has a greater mix of housing, commercial and retail uses. It preserves open space and many other environmental amenities. Most successful communities have a vision of where they want to go and of what things

they value in their community — and their plans for development reflect these values. As our community partners face these complex issues, Eden is helping them fulfill their vision of growing wisely by focusing on Smart Growth issues in its development work.

"Over the years, Eden Housing has provided Livermore residents with well-designed, well-managed affordable housing. We look forward to our continued partnership with Eden."

—Mayor Marshall Kamena, City of Livermore







"Petaluma is proud to be a leader in the Bay Area in meeting its goals by providing high-quality low-cost housing opportunities through such fine nonprofit organizations as Eden Housing. It is with a great deal of enthusiasm that we look forward to the new Eden Housing Development on Washington Street"

—Mayor David Glass, City of Petaluma



"More than 400 San Jose low-income families can now live in high-quality affordable homes as a result of our City's strong partnership with Eden Housing. Eden's outstanding vision for creating affordable housing and its dedication and professional follow-through have shown that together we can build strong neighborhoods and create opportunities that make a real difference in the lives of our residents."

—Ron Gonzales, Mayor of San Jose

# Housing for Seniors



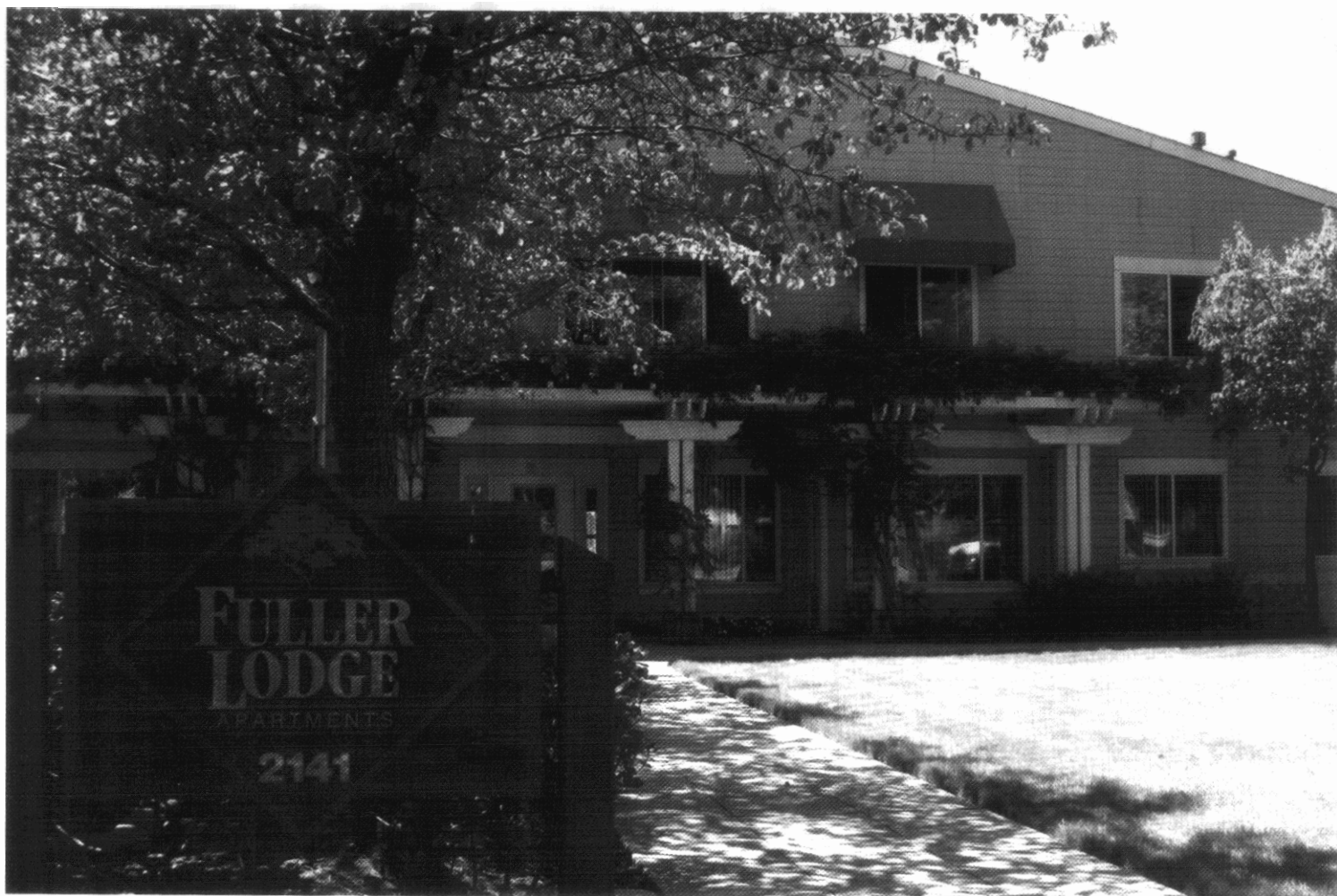
(This page) Rosewood Terrace community room and senior residents



(Opposite page, top left corner) Downtown River Apartments rendering, Petaluma; (Opposite page) Catalonia, San Jose



# Housing for People with Disabilities



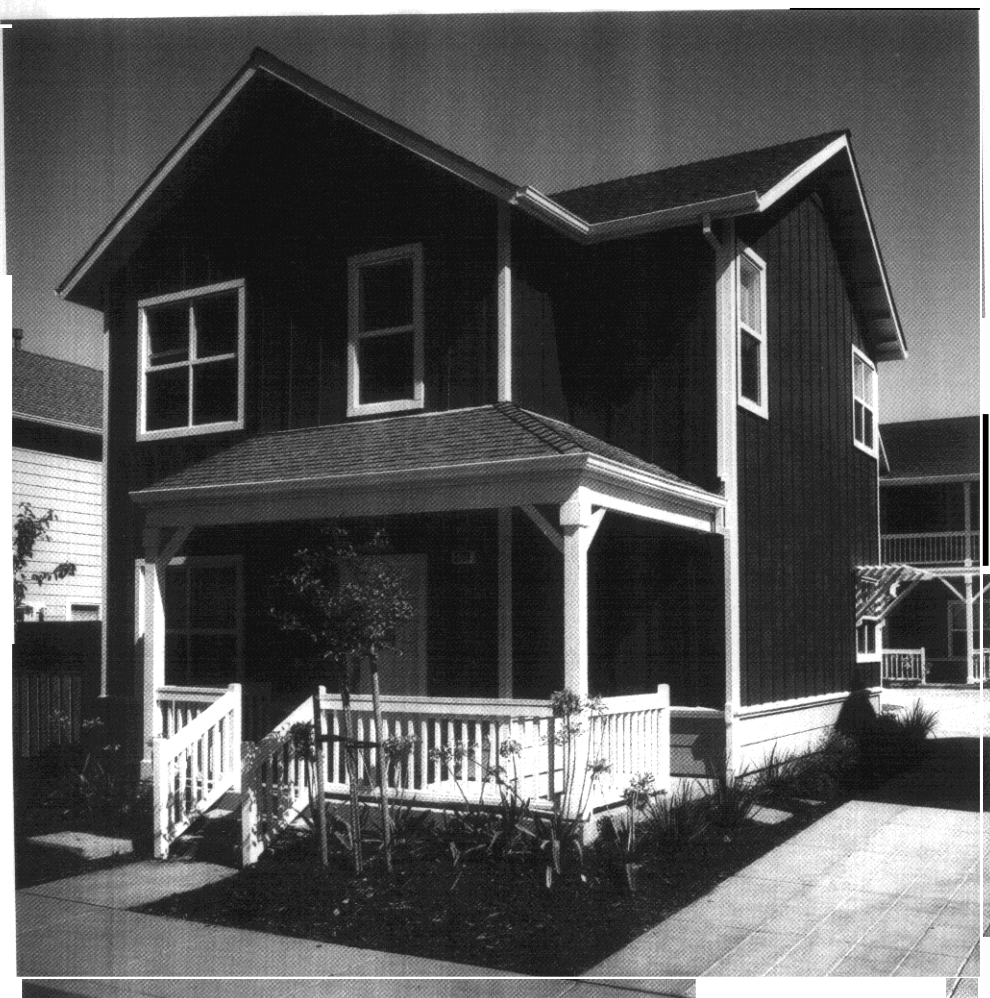
"We are excited about the opening of the new Eden Housing development, Fuller Gardens, here in San Leandro."

—Mayor Shelia Young,  
City of San Leandro

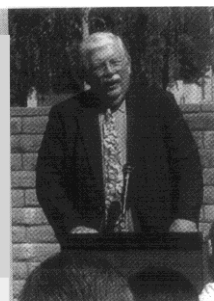


# independence

# Home Ownership Opportunities



"A home is more than just shelter, it is a place for people and families to



grow, to build, and to dream. Working with committed people and organizations like Eden Housing to provide homes for people and families is one of the most rewarding aspects of serving in local government. The impact of our combined efforts will last long after all of us are gone, as we change people's lives and dreams."

**—Mayor Gus Morrison,  
City of Fremont**

*(Opposite page) Fuller Lodge, San Leandro;  
Fuller Residents; (this page) Adams Avenue  
home and homeowners*



# Growing Eden and Supporting Our Communities



**Eden has followed a growth strategy** that is focused on meeting affordable housing needs within a defined geographic region. Although we are chartered to work statewide, we have elected to keep our focus within a two-hour travel radius of our Hayward corporate office. This regional approach provides:

**Portfolio Economics:** Eden grows its portfolio in geographic clusters. Starting in Alameda County, we have moved to adjacent regions in the Bay Area, allow-

ing us to create economies of scale in our property management and resident services operations.

**Community Presence:** By maintaining a tight geographic focus, we can maintain our community-based philosophy. We often participate in community planning efforts such as inclusionary housing and housing element task forces and community-based specific plan initiatives. Many of Eden's projects have sprung from a solid relationship and trust that

has been nurtured over years. Expanded partnerships in communities where we have existing relationships are a key factor in our success and growth.

**Community Partnerships:** One of Eden's priorities is to mentor and partner with smaller nonprofit organizations to build their capacity while providing housing to serve special populations or geographic communities, or tackle the daunting problems of blight and the preservation of affordability. This continuing tradition includes collaborations with:

- East Bay Issei; 100 units of senior housing. Eden Issei Terrace, in Hayward
- Community Resources for Independent Living (CRIL); three partnerships on

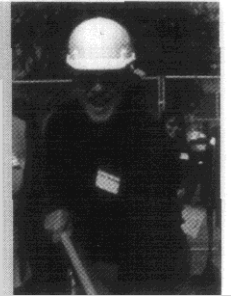
"Eden brings to a partnership an understanding of developing the whole community, not just developing a building"

—Robert Jones, Executive Director, EPA CAN DO

"We have been fortunate to have the good luck of having Eden work with us on two projects...The first was the purchase and renovation of an old and poorly maintained apartment complex that presented a poor environment to raise children in. Now they are clean and very well managed under Eden's guidance...The second is a 50-unit Senior complex now approaching completion. These apartments will be full on the day they open.

As land costs increase along with the cost of living, we cannot afford to forget our responsibility to our seniors and children. I know of no better way to fulfill our responsibilities than by reaching out to assist them with a warm and clean place..."

—Mayor Willie Weatherford, City of Manteca



housing for people with disabilities

- Mentally Handicapped Children's organization (MHCO); housing those with disabilities
- East Bay Habitat for Humanity; Adams Avenue Homes, 17 homes in Fremont for first-time buyers
- Community Housing Development Corporation (CHDC), North Richmond: to create 52-units of senior housing and 10,000 square feet of commercial space.

We are **also** partnering with CHDC on two new developments. We have seen

improved capacity within this community and are using this model as a basis for partnering with East Palo Alto Community Alliance and Neighborhood Development Organization (EPA CAN DO) on a similar effort.

#### Program Expansion

Eden works with communities to meet clearly identified needs, therefore, we have not limited our work to one kind or size of development. We have helped communities create housing developments ranging in scale from 4 units to 200. Although

we recognize that efficiencies come from scale, smaller projects have offered us the opportunity to experiment with new program areas and to effectively serve special needs populations. We **have also** been able to set examples on a larger scale, as with the 194-unit Ohlone Chynoweth Commons transit-based development, which was recognized by Sierra Club as one of 50 projects nationally to exemplify the concepts of Smart Growth.

*(Opposite page) Union Square rehabilitation, Manteca; (this page) Nugent Square, East Palo Alto 2003 groundbreaking*



# Supporting Our Residents

**Eden firmly believes that a strong community** that cares and provides a supportive social network for its lower-income members is the pathway for a better future. Through Eden's nonprofit affiliate, Eden Housing Resident Services, Inc., we are helping to build residential environments that encourage, foster, and support individual self-reliance and create healthy communities. This unique philosophy is expressed through Eden Housing's caring resident service efforts.

Our services programming in family buildings focuses in two areas:

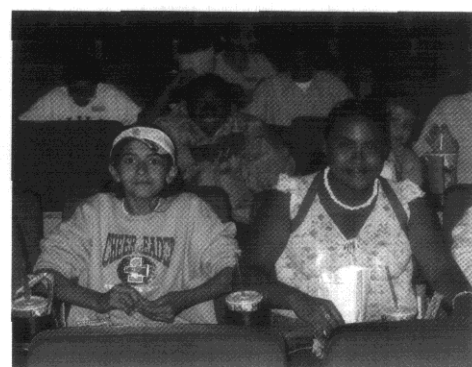
**Support for Youth:** We provide academic, cultural, athletic, and artistic enrichment and technology-based learning for our residents' children. These programs also help youth develop a sense of self-worth and emphasize the importance of community service.

## **Economic Advancement for**

**Families:** Our services also help open the door to a better future for adults through counseling, referrals to community help agencies, opportunities for social interaction within their development, technology training, and, since 1993, educational and job training scholarships through the Howard T. Collins Memorial Scholarship Fund. In just the last five years, Eden has provided 107 scholarships to deserving residents totaling over \$70,000.

## **Independence and Wellness for Seniors** — — —

For our elderly residents, we work to assure that our seniors can age in place in an independent living environment—by providing health and wellness activities



(This page, above) Summer program participants; (left) disabled and senior residents; (opposite page, top) Summer School and Computer Learning Program participants; (third row, right) Linda Mandolini, graduate Quoc Sy Nguyen of Eden Palms, and Diana Miller; (box) Councilman Forrest Williams with graduate Jessica Vega of Ohlone Chynoweth





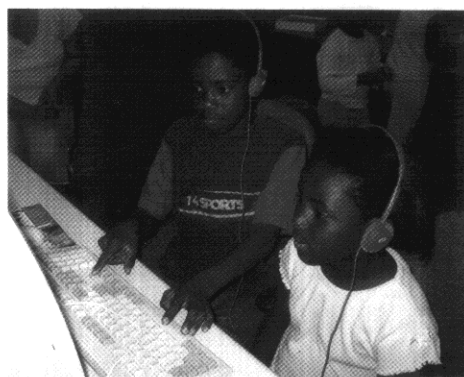
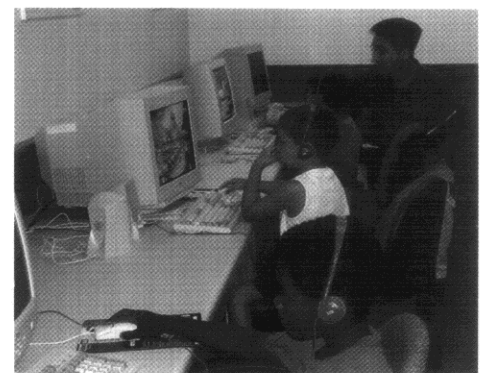
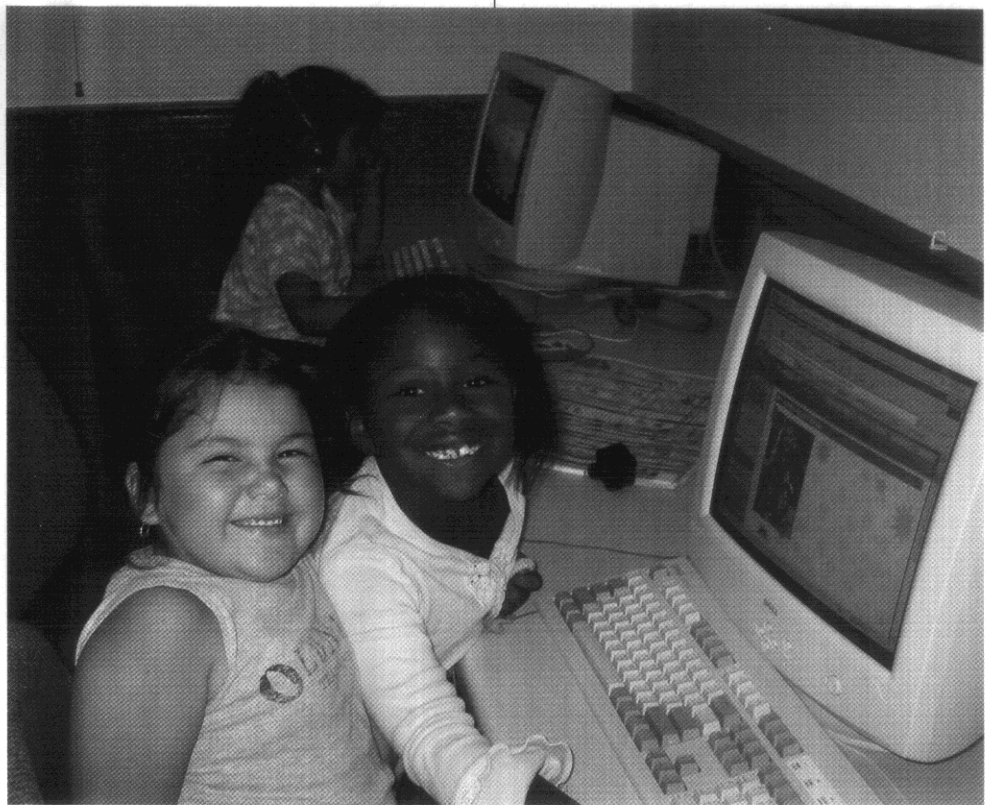
that focus on physical well being and reducing isolation. Our programs include health referrals, physical fitness programs, and social activities.

Eden's newest frontier is to provide better technology access to our residents by bridging the "Digital Divide" through the creation of technology programs.

We have built partnerships with grantors and organizations like the Sobrato Family Foundation, SRC Foundation, Wells Fargo Bank Foundation, Cisco Systems, Citibank, Adobe Systems and other partners to provide computer and Internet-based education and services for our residents.

In addition, Eden is part of the One Economy program, a national effort to bring Internet access and customized web site content to residents of affordable housing — in their homes — to facilitate economic advancement. The web content includes health, finance, educational, and employment information specifically designed for residents of affordable housing.

This effort also includes a component known as the "Digital Youth Connector Corps," a program supported by the Knight Foundation that is training youth at out sites to provide computer technical assistance to residents.

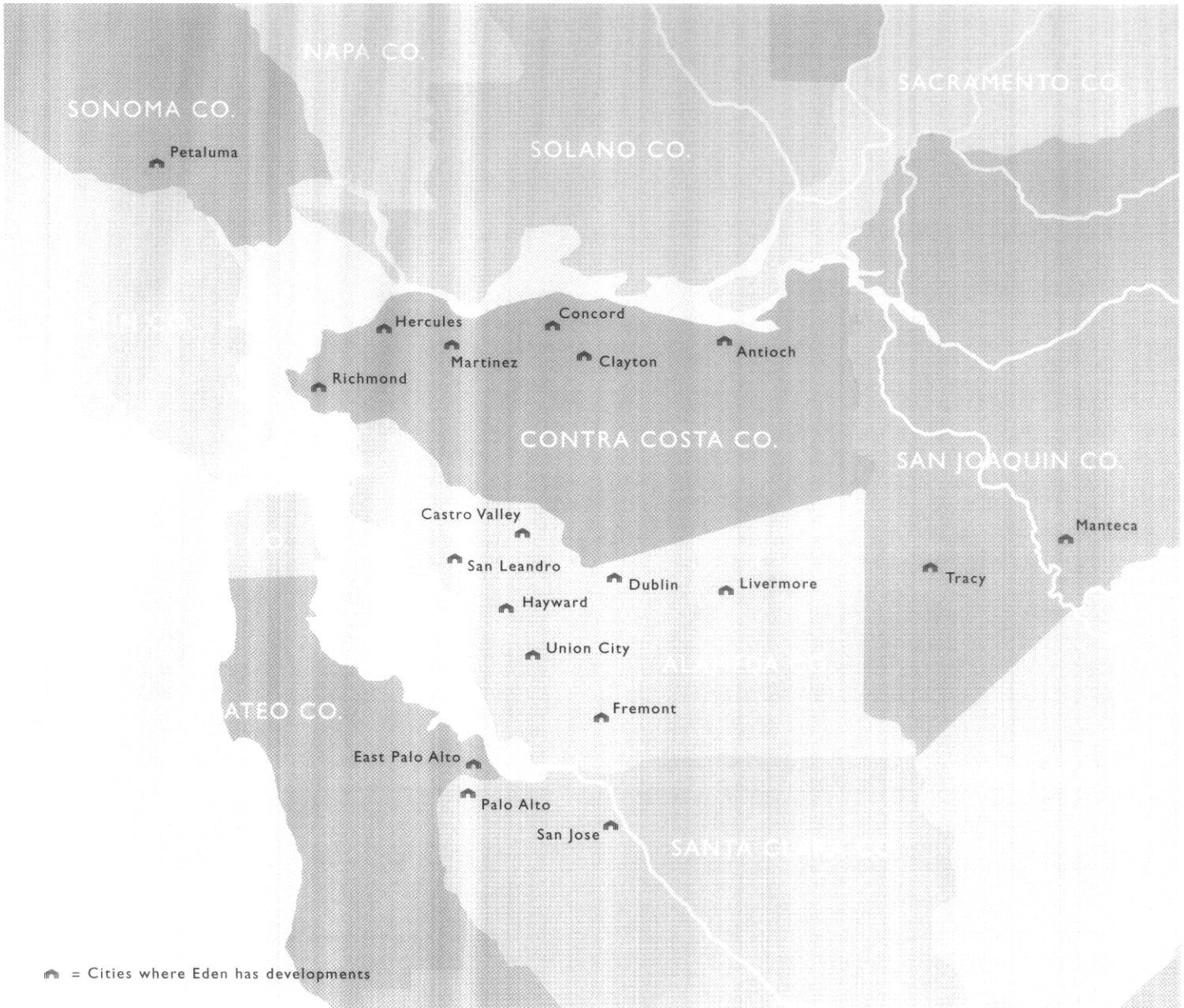


"Eden Housing's Digital Connectors program is leading edge, challenging, motivational and gets exceptional results from the students. I support the model and would like to see it expanded to accommodate more students."

—Councilman Forrest Williams, City of San Jose



# Development Locations

[illegible]



# Development Details

Development Name	Number of Units	Developed by Eden	Managed by Eden	Rent	Home-owner	Senior	Family	Disabled	Year Completed
Rehabbed Homes	6	x			x				1968
Josephine Lum Lodge, Hayward	150	x	x	x		x			1973
Eden Lodge, San Leandro	143	x	x	x		x			1980
La Solana, Hayward	8	x			x				1982
La Solanita, Hayward	6	x			x		x		1982
Summerwood, Hayward	163	x		x			x		1983
10th & D Street, Union City	3	x	x	x			x		1982
Grove Way, Castro Valley	8	x	x	x			x		1982
Eden Issei, Hayward	100	x	x	x		x			1984
Sparks Way, Hayward	45	x	x		x		x		1984
Sycamore Square, Hayward	26	x	x	x			x		1983
Greenhaven, Union City	250	x		x			x		1984
Tyrrell Gardens, Hayward	28	x			x		x		1985
Olive Tree Plaza, Hayward	26	x	x	x				x	1986
Heritage Park, Livermore	167	x		x		x			1986
Huntwood Terrace, Hayward	104	x		x			x		1988
Cypress Glen, Hayward	54	x	x	x			x		1987
Huntwood Commons, Hayward	40	x	x	x			x		1988
Mission Wells, Fremont	392	CO-GP		x			x		1988
Ridge View, Pleasanton	200	x		x		x			1989
Sequoia Manor, Fremont	81	x	x	x		x			1989
Baywood Apts., Fremont	82	x	x	x			x		1990
Redwood Lodge, Fremont	24	x	x	x				x	1989
Westporte, Hayward	94	x			x		x		1990
Fulfer Lodge, San Leandro	26	x	x	x				x	1991
E.C. Magnolia Court, Hayward	21	x	x	x				x	1992
Stoney Creek Apts., Livermore	70	x	x	x			x		1992
Washington Creek, Petaluma	32	x	x	x			x		1993
Villa Springs, Hayward	66	x	x	x			x		1993
Glen Eden, Hayward	36	x	x	x			x		1993
Glen Berry, Hayward	50	x	x	x			x		1994
Corona Ranch, Petaluma	74	x	x	x			x		1994
Corona Crescent, Petaluma	16	x			x		x		1994
The San Pablo, Oakland	144	x		x		x		x	1995
Laulima House, Oakland	9	x		x			x		1996
Casa de los Amigos, San Jose	24		x					x	1996
Emerson Arms Apt, Martinez	32	x	x	x			x		1996
Kirker Court, Clayton	20		x	x				x	1996
Riverhouse, Martinez	74		x	x					1996
Catalonia, San Jose	50	x	x				x		1995
B Street Bungalow, Hayward	4	x			x		x		1996
Eden Palms, San Jose	145	x	x	x			x		1997
409 Jackson St., Hayward	1	x	x						1998
Pacific Grove, Fremont	20	x	x	x			x	x	1997
Hillview Glen, San Jose	180	x		x			x	x	1996
The Harrison	81	Co-GP							
Stone Pine Meadow, Tracy	72	x	x	x			x		2000
Owls' Landing, Livermore	72	x	x	x			x		2000
Community Heritage, Richmond	52	Co	x	x		x			2000
N. Richmond Comm'l Center	1	x	x						2000
Parkside Glen, San Jose	180	Co-GP		x			x		2000
Ohlone-Chynoweth, San Jose	194	x	x	x			x		2000
Rosewood Terrace, Union City	45	x	x	x		x			2000
Harris Court, Hayward	24	x	x	x			x		2000
Virginia Lane, Concord	91	x	x	x			x		2001
Adams Ave Homes, Fremont	17	x			x				2002
Union Court Apts, Manteca	68	x	x	x			x		2003
West Rivertown Apts, Antioch	57	x	x	x			x		2003

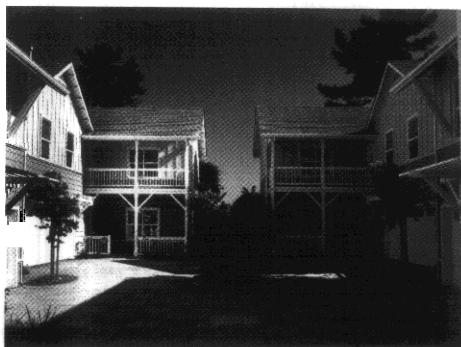
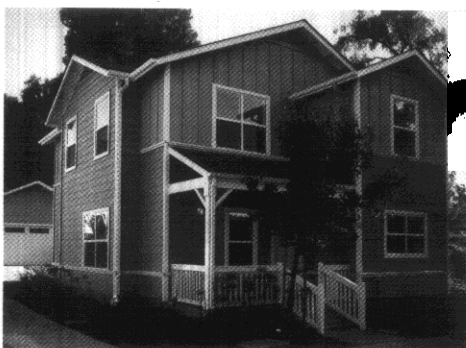
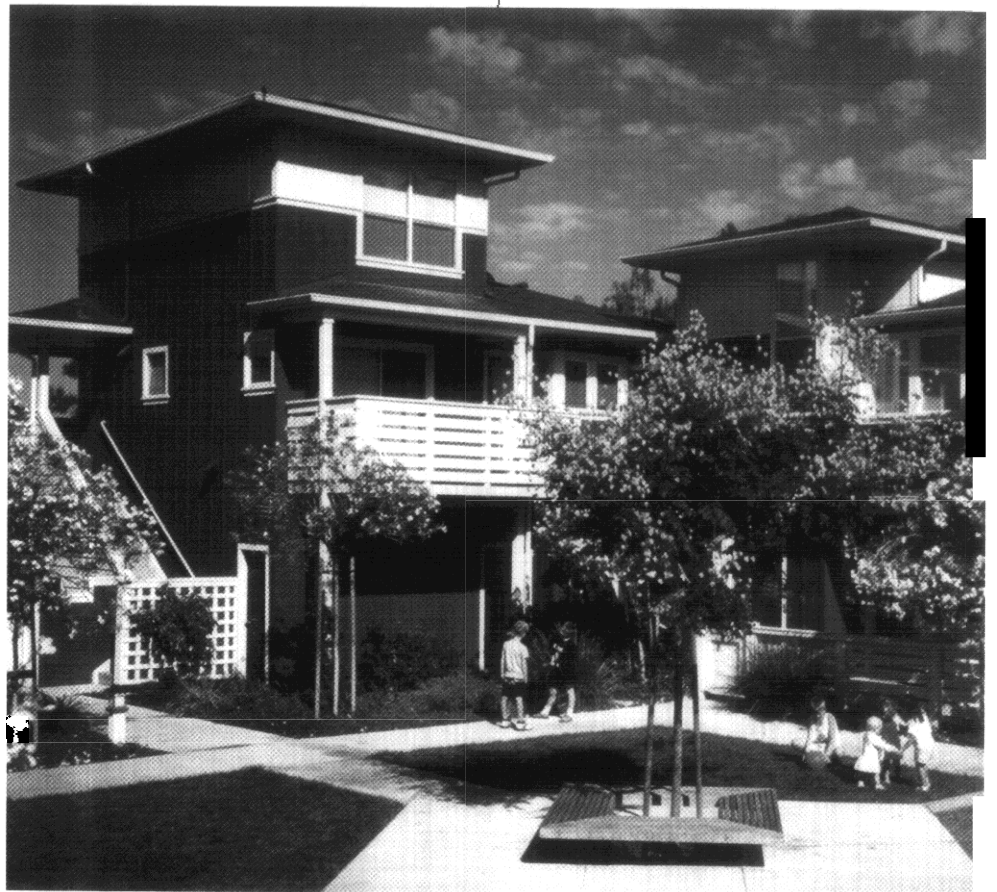
# Additional Project Images



"With (the upcoming) Victoria Family Apartments,

of Hercules provide attractive affordable housing within a new market-rate development to provide a well-balanced neighborhood that all residents can enjoy. This housing is the first affordable housing development in Hercules that will provide starter homes for new college graduates."

—Mayor Ed Balico,  
City of Hercules



(Top, left) Pacific Grove, Hayward;  
(top, right) Eden Issei, Hayward;  
(middle) Stoney Creek, Livermore;  
(bottom) Adams Avenue, Fremont

# Thanks to you...

**Without the financial support of the following** organizations and individuals, Eden Housing would not be able to accomplish its mission. The contributions and favorable loans that Eden receives enable us to provide the highest quality affordable housing and resident services that are available to the people of Northern California.

**Thank you all!**

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eden housing



## EDEN HOUSING, INC.

409 Jackson Street, Hayward, California 94544 • (510) 582-1460 • [www.edenhousing.org](http://www.edenhousing.org)

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**PHOTO CREDITS:** Van Meter Williams Pollock: front inside cover; back face page, page 15 • Steve Rubiolo: pages 4, 5  
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Sherry Porrazzo: pages 6, 14, 15 top, 17 top • Deni Adaniya: page 15 (homeowners)  
Kathy Schmidt: page 16 • Jeff Peters: page 9







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# Update on Affordable Senior Housing Project

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Presented by  
Community Development Department

March 2009

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# Affordable Housing Project Update

- **2006 CDBG Allocation - \$330,000**
    - Acquisition of land for affordable housing.
  - **Increased Allocation to \$1.2M**
    - Supplemented with Program Income from our Housing Assistance Programs.
  - **Obligation and Expenditure of Those Funds Getting Critical**
    - Railroad Avenue Project unable to proceed.
    - Separation from Urban County
-

# Affordable Housing Project Update

## ■ **Next Best Site Available**

### □ **City-owned land adjacent to Roget Park**

- **No need to negotiate land purchase.**

- **HUD Regulations dictate process**

- Funds allocated to Non-Profit Developer

- Developer acquires land from City at fair market appraisal price. (\$650,000)

- **Development, Disposition and Loan Agreement (DDLA)**

- Developer commits to move forward with development of project within agreed upon timeframe.

- If developer fails to perform, land reverts back to City.

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# Affordable Housing Project Update

- **Request for Qualifications (RFQ) Distributed in December 2008.**
    - **Two Responses Received**
      - **Eden Housing**
      - **Domus Development**
  - **Reviewed by Panel**
    - **3 Planning Commissioners**
    - **Representatives of Budget & Finance Committee and Senior Citizen Commission**
    - **Summary of developer's qualifications provided**
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# Affordable Housing Project Update

- **Panel Review/Recommendation**
    - **Eden Housing, Inc.**
  
  - **Based Upon That Recommendation**
    - **Staff Bringing to Council on April 1st**
      - **Authorization for City Manager to enter into negotiations with Eden Housing, Inc.**
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# Affordable Housing Project Update

## ■ Railroad Avenue Site

- ❑ City maintains first right to acquire.
- ❑ PAM Development still interested in developing project at this site.
- ❑ City staff and developer likely to engage in extensive public outreach with that neighborhood and community before anything moves forward.
  - Determine best-suited project for that location.